

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**March 7, 2014
10:30 A.M.**

**FREDERICK P. WHIDDON ADMINISTRATION BUILDING
SUITE 130, BOARD ROOM**

MINUTES

ITEM

Approve: [Revised Agenda](#)

1 Approve: [Minutes](#)

2 Report: [President's Report](#)

2.A Approve: [Amendments to Bylaws of the Board of Trustees](#)

2.B Approve: [Presidential Contract](#)

HEALTH AFFAIRS:

3 Approve: [USA Hospitals Credentials – November and December 2013, and January 2014](#)

4 Report: [Health System and Health Sciences](#)

5 Report: [USA Mitchell Cancer Institute](#)

ACADEMIC AND STUDENT AFFAIRS:

6 Report: [Academic Affairs](#)

7 Approve: [Honorary Doctorate Degree](#)

8 Report: [Student Affairs](#)

BUDGET AND FINANCE:

9 Report: [Quarterly GASB Financial Statements, Three Months ended December 2013](#)

9.A Approve: [Sale of Real Property](#)

9.B Approve: [Affiliation Agreement between the University of South Alabama and the University of South Alabama Foundation for Research and Commercialization](#)

10 Approve: [Refunding of Bond Issue](#)

AUDIT:

11 Report: [KPMG Report on USA Intercollegiate Athletics, Year ended September 30, 2013](#)

DEVELOPMENT, ENDOWMENT AND INVESTMENTS:

12 Report: [Endowment and Investments](#)

13 Approve: [Amended Bylaws of the Jaguar Athletic Fund, Inc.](#)

14 Report: [Mitchell-Moulton Scholarship Initiative](#)

15 Approve: [Commendation of the Poarch Band of Creek Indians for Gift](#)

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**March 7, 2014
10:30 a.m.**

A meeting of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr, Chair *pro tempore*, on Friday, March 7, 2014, at 10:34 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

- Trustees Present: Drs. Steve Furr and Steve Stokes; Messrs. Cecil Gardner, Bryant Mixon, John Peek, Jimmy Shumock and Ken Simon; and Mss. Bettye Maye and Christie Miree.
- Trustees Absent: Drs. Robert Bentley, Tommy Bice and Scott Charlton; Messrs. Tom Corcoran, Sam Jones and Jim Yance; and Ms. Arlene Mitchell.
- Administration and Others: Acting President Dr. John Smith; Drs. Joe Busta, Phil Carr/Julie Estis/Doug Marshall/ Kelly Woodford (Faculty Senate), Joel Erdmann, Ron Franks, Roma Hanks, David Johnson, Clara Massey, Mike Mitchell, Deidra Suwanee Dees, Sam Strada, Julee Waldrop, Tony Waldrop, Kevin White and Andzej Wierzbicki; Messrs. Terry Albano, Owen Bailey, Bradley Byrne, Louis Cardinal (Thornton Farish), Joshua Cogswell, Wayne Davis, Happy Fulford, Rod Kanter (Bradley Arant Boulton Cummings), Henehv Douglas Kelly, Don Langham, Robert McGhee, Abe Mitchell, Norman Pitman, Buford Rolin, Steve Simmons and Robert Thrower; and Mss. Jessica Callahan, Lynne Chronister, Riley Davis (SGA), Sharon Delmar, Gayle Johnson and Jean Tucker.
- Press: Messrs. Gary Arnold (WKRG), Jason Johnson (*Lagniappe*) and Melvin Todd (WPMI); and Mss. Sally Ericson (*Press-Register/al.com*) and Samantha Andrews (*Vanguard*).

Upon the call to order, Chairman Furr called for adoption of the revised agenda, noting that presentation of **ITEM 15** would take place following the President's Report, **ITEM 2**. On motion by Ms. Miree, seconded by Ms. Maye, the revised agenda was approved unanimously. Chairman Furr called for approval of **ITEM 1**, the minutes of the Board of Trustees meetings held on December 6, 2013, and January 27 and February 6, 2014, as well as the minutes of meetings of the Committee of the Whole and the Development, Endowment and Investments Committee held on December 5, 2013. On motion by Ms. Miree, seconded by Mr. Shumock, the minutes were approved unanimously.

Chairman Furr called upon President Smith for presentation of **ITEM 2**, the President's Report. President Smith recognized Mr. Don Langham, Trustee *Emeritus*. He conveyed appreciation to Dr. Doug Marshall, Faculty Senate President, and to Ms. Riley Davis, Student Government Association President, for serving in these roles during the 2013-2014 academic year, and he

recognized Dr. Julie Estis, 2014-2015 Faculty Senate President, and Kelly Woodford, Faculty Senate Secretary. Judge Simon remarked on the positive relationship between the Faculty leadership and the Board.

President Smith detailed upcoming events, including the Distinguished Alumni and Services Awards Program that would be held later at the Mitchell Center; the Spring Football Game on March 29; Spring Commencement on May 10, featuring keynote speaker Dr. Jean Botti, Airbus North America Chief Innovation and Technology Officer; the Sun Belt Baseball Tournament to be hosted at USA May 12 through 15; and the Annual Meeting of the Board of Trustees on June 6.

President Smith reported that USA students, faculty and staff gathered at the state capitol for Higher Education Day on February 27. Photos of the activities were shown. He introduced Ms. Jessica Callahan, Assistant Director of the Office of Alumni Relations, who, on behalf of Ms. Ann Sirmon, President of the USA National Alumni Association (NAA) Board of Directors, talked about the *JaguarsCare National Day of Service* project being sponsored by the NAA to promote April 26, 2014, as a day for all alumni to volunteer in their respective hometowns to make a positive impact in the community, an effort that will also serve to increase USA awareness. President Smith remarked that the process for reaffirmation of the University's accreditation was complete. He said the final report from the Southern Association of Colleges and Schools (SACS) did not recommend further action by the University.

President Smith reported a record 2014 spring enrollment of 14,279 students, which follows a record 2013 fall enrollment of 15,311 students. He stated the University would host the 59th Mobile Regional Science and Engineering Fair over the next couple of days, a competition attended by more than 500 middle and high school students from southwest Alabama. He encouraged Trustees and guests to log onto the redesigned Web site. A graphic featuring the new design was shown.

As photos were viewed, President Smith gave an update on construction projects, including the renovation of the softball stadium, home of the Lady Jags who are ranked 14th in the nation. He described features of the new grandstand, dugouts and batting facility. He stated a grand opening of the Student Center is being planned for the fall, and he detailed attributes and services that the renovated facility would offer. He said a request for construction bids for the proposed physician office building, slated to be built adjacent to USA Children's and Women's Hospital (CWH), would be disseminated in April. He added that construction is expected to be complete in one and one-half years.

President Smith called upon Ms. Tucker, who discussed revision of the University's Affirmative Action Plan in compliance with the Americans with Disabilities Act, and efforts to increase the number of employees with disabilities to seven percent of the University's workforce. She said the University will have measures in place to assess progress.

President Smith called for a report from Dr. David Johnson, as Chair of the Presidential Transition Team. Dr. Johnson advised that Dr. Debra Davis, Dean of the College of Nursing, will serve as

Chair of the Presidential Inauguration Committee. Plans are being made for an installation ceremony for incoming President Dr. Tony Waldrop that will coincide with the Board meeting to be held in the 2014 fall semester. He identified various groups for which introductory meetings with Dr. Waldrop would be scheduled, including community, Chamber of Commerce and state political leaders, as well as the colleges, and faculty and student groups.

President Smith recognized Judge Simon for his feature article published in *Profiles in Diversity Journal*. He said DVD recordings were available of the historic February 6 Board meeting at which Dr. Waldrop accepted appointment as USA's third President.

Relative to ITEM 2.A as follows (for copies of policies and other authorized documents, refer to APPENDIX A), a photo was shown of Chairman Furr, Dr. Smith and Mr. Fulford with Governor Bentley, Alabama Speaker *pro tem* Victor Gaston and Representative Rusty Glover for the signing into law of revisions to the Code of Alabama statute governing the University, revisions which are consistent with proposed bylaws revisions that include a revision of Trustee representation, a reduction in the terms of Trustees from 12 to six years and the extension of authority to the Chair *pro tempore* to call special meetings. On motion by Mr. Shumock, seconded by Ms. Miree, the resolution was approved unanimously:

**RESOLUTION
AMENDMENTS TO BYLAWS OF THE BOARD OF TRUSTEES**

WHEREAS, Article VIII of the Bylaws of the University of South Alabama Board of Trustees provides that the bylaws may be amended or repealed at any meeting of the Board by eight members of the Board voting in favor of same, but no such action shall be taken unless notice of the substance of such proposed adoption, amendment or repeal shall have been given at a previous meeting or notice in writing of the substance of the proposed change shall have been served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change, and

WHEREAS, a copy of proposed amended bylaws outlining the substance of the proposed amendment to the Bylaws of the University of South Alabama Board of Trustees, attached hereto as Exhibit A and incorporated herein by reference, was mailed or hand delivered to each member of the Board on November 6, 2013, and

WHEREAS, the substance of the proposed amended bylaws having been presented for the consideration with the above-referenced mailing, and presented for deliberation and vote of the Board at its meeting on December 6, 2013, a vote of eight members being necessary to adopt such amendments, and

WHEREAS, the Board of Trustees approved the substance of the amendments as set forth on the attached Exhibit A and authorized the request to the Legislature of the State of Alabama that amendment to Chapter 55 of the Code of Alabama be made consistent with same, and

WHEREAS, such amendments were made to Chapter 55 by the Alabama legislature as evidenced by the legislation attached hereto as Exhibit B, and

WHEREAS, consistent with the resolution for Item 4 of the Board meeting of December 6, 2013, the attached Bylaws of the University of South Alabama Board of Trustees, as amended, are hereby being brought before the Board for final approval at this, the earliest time practicable, and

WHEREAS, the foregoing actions comply with the requirements of Article VIII, pertaining to amendment of the bylaws,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama hereby approves and adopts the Bylaws of the Board of Trustees of the University of South Alabama as amended and attached hereto.

Chairman Furr called upon Dr. Busta for presentation of **ITEM 15** as follows. Dr. Busta discussed the significance of a gift totaling \$500,000 from the Poarch Band of Creek Indians to establish a Native American Studies program at South Alabama and an endowed professorship, and he introduced tribal council members Mr. Buford Rolin, Chairman; Mr. Robert McGhee, Treasurer; Ms. Sharon Delmar, Public Relations Officer; Dr. Deidra Suwanee Dees, Archivist; Mr. Henehv Douglas Kelly; Ms. Gayle Johnson, Media Specialist; and Robert Thrower, Historic Preservation Officer. He noted the instrumental roles of NAA board members Dr. Suwanee Dees and Mr. McGhee in fostering the relationships that led to the gift. He recognized USA liaisons Dr. Phil Carr, Professor of Anthropology and Director of the USA Archaeology Museum; Dr. Andrzej Wierzbicki, Dean of the College of Arts and Sciences; Dr. Roma Hanks, Chair of the Department of Sociology, Anthropology and Social Work; and Mr. Joshua Cogswell, Director of University Development, for their coordination with tribal members. Dr. Carr discussed the importance of the program for students and the community, and thanked the tribal leaders for their gift. Messrs. Rolin and McGhee joined Chairman Furr, President Smith and Dr. Busta for presentation of the check. Each made brief remarks and Dr. Busta read the resolution. On motion by Ms. Miree, seconded by Mr. Peek, the resolution was approved unanimously. Judge Simon commended Dr. Carr for the excellence reflected by the Archaeology Museum:

**RESOLUTION
POARCH BAND OF CREEK INDIANS NATIVE AMERICAN STUDIES PROGRAM**

WHEREAS, the University of South Alabama has for fifty years vigorously pursued its mission of education, research, and service to the Gulf Coast region including scholarly exploration, preservation and dissemination of the history and culture of the region, and

WHEREAS, Native Americans within the state of Alabama and the nation as a whole have made significant contributions to our society and culture, many of which remain largely unacknowledged and underappreciated, and

WHEREAS, a Native American Studies program in the College of Arts and Sciences, with a focus on the history, culture and modern life of Native American groups in the region would offer generations of students, professionals, teachers, schoolchildren, and the public opportunities to learn from these rich and diverse cultures and world views, and

WHEREAS, the Poarch Band of Creek Indians has generously provided the resources to establish a program development fund for the Native American Studies program that will allow the program to have an immediate and tangible impact at the University and in the community through the support of educational programs, scholarly research, and outreach activities, and

WHEREAS, the Poarch Band of Creek Indians has generously provided funding to establish *The Chief Calvin McGhee Endowed Professorship in Native American Studies* to support a scholar who will

make important contributions in the field of Native American Studies, and who will be able to disseminate this work far beyond the walls of the University, and

WHEREAS, the Native American Studies Program and the *Chief Calvin McGhee Endowed Professorship in Native American Studies* represent vibrant additions to the academic programs of the University of South Alabama that will benefit the citizens of the state of Alabama and the Gulf Coast region for generations to come,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama expresses its deep gratitude to the Poarch Band of Creek Indians for its visionary partnership and profound generosity in establishing these endowed funds, and declares that the Native American Studies program at the University of South Alabama will hereafter be known as the *Poarch Band of Creek Indians Native American Studies Program*.

President Smith presented **ITEM 2.B** as follows. He noted that a Compensation Committee of the Board had been charged with exploring the specifics of a contract for the University's next president. On motion by Ms. Maye, seconded by Dr. Stokes, the resolution was approved unanimously:

**RESOLUTION
PRESIDENTIAL CONTRACT**

WHEREAS, the Board of Trustees of the University of South Alabama unanimously voted to hire Dr. Tony G. Waldrop as the next president of the University of South Alabama, and

WHEREAS, the Board of Trustees will offer Dr. Waldrop certain terms of employment in the form of a contract of employment, and

WHEREAS, terms are being discussed with Dr. Waldrop,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees delegates its authority to finalize the terms of Dr. Waldrop's employment as President of the University of South Alabama and to sign the contract evidencing such terms to its Chair *pro tempore*, Dr. Steve Furr, in consultation with the chair of the Compensation Committee.

Chairman Furr called for a report on health affairs items. Dr. Stokes, Chair of the Health Affairs Committee, moved approval of **ITEM 3** as follows. Mr. Shumock seconded and the resolution was approved unanimously:

**RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR NOVEMBER AND DECEMBER 2013, AND JANUARY 2014**

WHEREAS, the Medical Staff appointments and reappointments for November and December 2013, and January 2014 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

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

Dr. Stokes called for a report on the activities of the Division of Health Sciences and the USA Health System, **ITEM 4**. As photos were shown, Mr. Owen Bailey discussed the transition of patients to the new wing of Children's and Women's Hospital (CWH). He said phase II construction is under way, which includes expansion of the main entrance lobby and installation of a courtyard in front of the tower. Completion is anticipated by midsummer. Mr. Bailey announced that former CWH patient Miss Starla Chapman will represent Alabama as this year's Children's Miracle Network Hospitals' Champion, a role previously served by Miss Jenny Biggs. He gave details on *Local Goodness* – CWH's first signature fundraising event to be held on April 6. The event will feature a farm-to-table theme that correlates to the Hospital's mission of meeting the healthcare needs of local citizens. President Smith commended Mr. Bailey and the Hospital staff for a seamless move into the new facilities.

Dr. Franks reported on the relocation of the USA Physicians Group and the Center for Digestive Health into University Commons -- a shift indicative of a system-wide goal to provide a coordinated approach to healthcare, a concept whereby physicians come together and share expertise, assuring the best experience possible for patients. A prime example of coordinated care was presented in a promotional video featuring a team-led, evidence-based, patient-centered model developed by USA's cardiac team led by Dr. Clara Massey, Professor of Internal Medicine and Director of Cardiology at the Medical Center. Dr. Franks introduced Dr. Massey to share her perspective. President Smith attested to those in the room the program has benefitted.

Regarding **ITEM 5**, a report on the activities of the Mitchell Cancer Institute (MCI), Dr. Franks discussed the *Abraham A. Mitchell Cancer Research Fund*, designed to promote research across the disciplines. He cited the collaborative work of the colleges of Medicine, Engineering, and Arts and Sciences with MCI and UAB scientists, and said the first six grants totaling in excess of \$300,000 had been awarded in sophisticated areas of research. One such project relates to malignant melanoma and the development of a drug for the prevention of cancer cell metastasis. Dr. Franks commended Mr. Mitchell for his vision in establishing the initiative. He reported on an agreement with UAB to allow local candidates for bone marrow transplants to receive pretreatment at USA. He advised of interviews being held for position of MCI Director.

Chairman Furr called for consideration of academic and student affairs items. Ms. Miree, Chair of the Academic and Student Affairs Committee, called upon Dr. Johnson who, relative to **ITEM 7** as follows, detailed the credentials of spring commencement speaker Dr. Jean Botti of Airbus. He stated the standing committee on honorary doctorate degrees supported awarding an honorary degree to Dr. Botti. On motion by Ms. Miree, seconded by Ms. Maye, the resolution was approved unanimously:

**RESOLUTION
HONORARY DOCTORATE DEGREE FOR DR. JEAN J. BOTTI**

WHEREAS, the University of South Alabama seeks to honor exceptional individuals who have given a substantial part of their lives to serving others and who have distinguished themselves throughout their professional careers, and

WHEREAS, Dr. Jean J. Botti has served with distinction in leadership positions since 1978 with international companies such as Renault, General Motors, Delphi Corporation, and the European Aeronautic Defence and Space Company, and

WHEREAS, Dr. Botti serves as Chief Technical Officer (CTO) of Airbus Group and a member of the Airbus Group Executive Committee, and

WHEREAS, Dr. Botti has served as chair of the EADS Corporate Foundation which sponsors international research projects of widely recognized import and provides doctoral and post-doctoral scholarships for studies, and

WHEREAS, Dr. Botti holds 24 patents and has made numerous other innovative technical contributions in a variety of fields over the course of his career to the benefit of the general prosperity and well-being of humankind, and

WHEREAS, Dr. Botti is an active member of the National Academy of Technologies of France where he is regularly involved in discussions on better ways to put technology to use for the benefit of humankind, and

WHEREAS, Dr. Botti has been recognized by honorary doctorates from Bath University and Cardiff University in the United Kingdom and serves with distinction on the board, as a fellow, or on technical committees of numerous industrial, governmental, or non-profit organizations, and

WHEREAS, Dr. Botti has been instrumental in building a mutually beneficial relationship with the University of South Alabama and Airbus, and this would appear to have special importance to the future education of USA students in engineering and computing in particular, and also be instrumental to a variety of research opportunities that will engage USA faculty,

THEREFORE, BE IT RESOLVED, for his commitment to serving the citizens of the state of Alabama, the United States of America, and indeed the citizens of the world and for his dedication to furthering the use of technology to the benefit of humankind, the University of South Alabama is pleased to bestow upon Dr. Jean J. Botti, this day, the degree of Doctor of Humane Letters (L.H.D.), *honoris causa*.

Dr. Johnson presented **ITEM 6**, a report on the activities of the Division of Academic Affairs. He advised of the formation of the Office of Post-Doctoral Education to be led by Ms. Chronister and Dr. Keith Harrison, Dean of the Graduate School and Associate Vice President for Academic Affairs. The office will work to engage recent doctoral graduates in additional training to assure career success. Currently, 45 doctorates are meeting at the Mitchell Cancer Institute. The offering, which employs existing staff, signifies the importance of research at South Alabama. Judge Simon asked if those enrolled were graduates of USA. Dr. Johnson said most participants graduated from other institutions, which broadens the University's reach and brings additional talent to campus.

Ms. Chronister introduced Dr. Kevin White, Chair of Civil Engineering, to discuss the contributions of Dr. Andrew Whelton, Assistant Professor of Civil Engineering, in helping West Virginia officials with restoration of clean drinking water following a high-profile chemical spill in the Elk River. Ms. Chronister distributed packages of licorice candy to Board members to simulate the bad smell that emanated from contaminated tap water that affected 300,000 residents, forcing them to drive long distances for water. Exposure caused short-term symptoms such as rashes, allergic reactions and watering eyes. A graphic presentation was shown, which included a

photo of Dr. Whelton speaking at a press conference with West Virginia Governor Earl Tomlin. Coverage of the incident was reported by a number of media outlets, including CBS News and National Public Radio. Outreach projects like this increase the University's visibility nationally and internationally, further grant opportunities and illustrate South Alabama's commitment to increased research activity.

ITEM 8, a report on the Division of Student Affairs, was not presented.

Chairman Furr called for consideration of budget and finance items. On behalf of Mr. Corcoran, Budget and Finance Committee Chair, Mr. Simmons addressed **ITEM 9**, a report on the quarterly financial statements three months ended December 2013. He said state funding is level with that during the previous year, and the University's contributions for employee retirement and retiree insurance had not increased. President Smith added that Governor Bentley had recommended a two percent appropriation increase, which legislators declined.

Mr. Simmons recommended approval of **ITEM 9.A** as follows. With reference to USA's guidelines that govern real property transactions, he stated the Administration agrees it is in the University's best interest to engage the services of a real estate broker. President Smith gave a description of the property and called attention to the *Declaration of Best Interest* that is required of the University President. On motion by Judge Simon, seconded by Mr. Shumock, the resolution was approved unanimously:

**RESOLUTION
SALE OF REAL PROPERTY**

WHEREAS, the University of South Alabama owns real property in Montrose, Alabama, consisting of 12.37 acres, this gift of the land was made to the University in 2004 by Jack and Courtney Hays, and

WHEREAS, the property is remote to the campus and due to the nature of this property, that being residential lots, it is deemed economically justified and in the best interest of the state and the University of South Alabama to sell such property through a listing with a duly licensed real estate broker and utilize the proceeds of the sale to further the mission of the University (see *Declaration of Best Interest* attached hereto),

THEREFORE, BE IT RESOLVED, the Board of Trustees authorizes the President of the University of South Alabama and the Vice President for Financial Affairs to place the property on the market through the process outlined in the *Policy and Procedure By Which The University of South Alabama Would Sell or Lease Real Property or Interest Owned by The University of South Alabama*, as approved by this Board on March 9, 2006.

Concerning **ITEM 9.B** as follows, Ms. Chronister stated that, at the inaugural Foundation for Research and Commercialization (FRAC) Board meeting, directors adopted an affiliation agreement which allows for the conducting of business with the University of South Alabama. President Smith said SACS recommends institutions have affiliation agreements in place. On motion by Ms. Miree, seconded by Dr. Stokes, the resolution was approved unanimously:

**RESOLUTION
ADOPTION OF AFFILIATION AGREEMENT BETWEEN THE UNIVERSITY OF SOUTH ALABAMA
AND THE UNIVERSITY OF SOUTH ALABAMA
FOUNDATION FOR RESEARCH AND COMMERCIALIZATION**

WHEREAS, the University of South Alabama Foundation for Research and Commercialization ("the Foundation") was established as a non-profit, educational and charitable organization for the purposes of serving the University of South Alabama ("the University") and promoting the mission of the University pursuant to its Articles of Incorporation, by furthering the educational and scientific mission of the University through support of its academic programs, scientific research and development initiatives, and enhancement of the University's educational and training opportunities through, among other things, promotion of development, growth, and furtherance of the scientific research activities of the University, and

WHEREAS, the University and the Foundation anticipate that the University will provide the Foundation with specified services and facilities with which to carry out its responsibilities in exchange for the development, financial, and other service, support and assistance the Foundation shall provide the University, and

WHEREAS, the Board of Trustees of the University wishes to define the arrangements concerning services, facilities, premises, and activities as set forth in the Affiliation Agreement between the University of South Alabama and the University of South Alabama Foundation for Research and Commercialization, attached hereto,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama does hereby approve and adopt the attached Affiliation Agreement between the University of South Alabama and the University of South Alabama Foundation for Research and Commercialization.

Mr. Simmons introduced **ITEM 10** as follows, asserting that the refunding proposal is the best option for dealing with the bonds as currently structured. He introduced Mr. Louis Cardinal of Thornton Farish, who reported that, of the eight national banks considering bids, three responded and PNC Bank was the successful bidder, offering a favorable rate of .83 of one percent, or 83 basis points. He called for comments from Mr. Rod Kanter of Bradley Arant Boult Cummings, bond counsel to the University, who discussed the resolution. Mr. Simmons stated the transaction would not impact the budget. He said reissuance of the bonds would give greater stability. Mr. Cardinal discussed private placement for minimizing risk. Mr. Kanter said that a closing is set for March 14, and he discussed the bond process and credited University staff for their good work on the transaction. He added that the USA Administration is consistent in exercising sound fiduciary judgment. On motion by Ms. Maye, seconded by Mr. Shumock, the resolution was approved unanimously:

**RESOLUTION
A RESOLUTION AUTHORIZING THE ISSUANCE OF THE
\$41,245,000 UNIVERSITY FACILITIES REVENUE REFUNDING BOND
SERIES 2014-A**

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) The University has heretofore issued its \$51,080,000 initial principal amount Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, dated March 15, 2004, presently outstanding in the aggregate principal amount of \$41,690,000 (the "Series 2004 Bonds") and maturing on March 15 of the following years and in the following amounts:

Year	Principal Amount Maturing
2014	\$ 445,000
2015	470,000
2016	490,000
2017	615,000
2018	640,000
2019	665,000
2020	6,925,000
2021	7,280,000
2022	7,655,000
2023	8,050,000
2024	8,455,000

(2) The University has determined it is necessary, wise and in the best interest of the University and the public to redeem and retire those of the Series 2004 Bonds scheduled to mature in 2015 and thereafter (herein called the "Called Series 2004 Bonds") on April 16, 2014; and

(3) The Called Series 2004 Bonds are outstanding in the aggregate principal amount of \$41,245,000; and

(4) the University has undertaken a competitive bidding process for a loan to refinance the Called Series 2004 Bonds, and in connection therewith received bids on February 3, 2013 from various financial institutions including Regions Bank, SunTrust Bank, and PNC Bank, National Association.

(5) The Vice President for Financial Affairs of the University has reported that the bid submitted by PNC Bank, National Association (herein called "PNC") presents the lowest proposed rate of interest and cost of funds to the University for the refinancing of the Called Series 2004 Bonds and, accordingly, is the winning bid.

(6) It is necessary, advisable, in the best interest of the University to accept the bid of PNC and sell and deliver to PNC the University's \$41,245,000 University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (herein called the "Series 2014-A Bond") to pay the principal portion of the redemption price of the Called Series 2004 Bonds.

(b) Series 2014-A Bond to be Issued as an Additional Parity Bond Under the Indenture; Special Findings Under Section 8.2(b) of the Indenture. The Series 2014-A Bond shall be issued as an additional parity bond 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 2014-A Bond shall be designated Series 2014-A;
- (3) PNC is the person or entity to whom the Series 2014-A Bond is to be delivered;

(4) the Series 2014-A Bond is to be issued by sale in accordance with Section 6 hereof;

(5) the sale price of the Series 2014-A Bond shall be the initial face or par amount thereof (\$41,245,000);

(6) (a) in addition to the Series 2004 Bonds, the only bonds that have previously been issued by the University under the Indenture are its (i) \$31,680,000 original principal amount of University Tuition Revenue Refunding and Capital Improvement Bonds, Series 1996, dated February 15, 1996 (herein called the "Series 1996 Bonds"), which were issued under and pursuant to the Trust Indenture dated as of February 15, 1996 further described in Section 2 hereof, (ii) \$7,055,000 original principal amount of University Tuition Revenue Refunding Bonds, Series 1996B, dated October 15, 1996 (herein called the "Series 1996B Bonds"), which were issued under and pursuant to the First Supplemental Trust Indenture dated as of October 15, 1996, (iii) \$40,130,000.70 original principal amount of University Tuition Revenue Bonds, Series 1999, dated March 1, 1999 (herein called the "Series 1999 Bonds"), which were issued under and pursuant to the Second Supplemental Trust Indenture dated as of October 15, 1996, (iv) \$100,000,000 original principal amount University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006 (herein called the "Series 2006 Bonds"), which were issued under and pursuant to the Fifth Supplemental Trust Indenture dated as of December 1, 2006, (v) \$112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008 (herein called the "Series 2008 Bonds"), which were issued under and pursuant to the Sixth Supplemental University Facilities Revenue Trust Indenture dated as of September 1, 2008, (vi) \$29,750,000 University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010 (herein called the "Series 2010 Bond"), which was issued under and pursuant to the Seventh Supplemental University Facilities Revenue Trust Indenture dated as of June 16, 2010, (vii) \$25,000,000 University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012 (herein called the "Series 2012-A Bond"), which was issued under an Eighth Supplemental University Facilities Revenue Trust Indenture dated as of January 4, 2012 (herein called the "Eighth Supplemental Indenture"), (viii) \$7,740,000 University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012 (herein called the "Series 2012-B Bond"), which was issued under and pursuant to the Eighth Supplemental Indenture, (ix) \$32,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (herein called the "Series 2013-A Bond"), which was issued under and pursuant to the Ninth Supplemental University Facilities Revenue Trust Indenture dated June 28, 2013 (herein called the "Ninth Supplemental Indenture"), (x) \$8,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (herein called the "Series 2013-B Bond"), which was issued under and pursuant to the Ninth Supplemental Indenture, and (xi) \$10,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (herein called the "Series 2013-C Bond" and, together with the Series 1999 Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2010 Bond, the Series 2012-A Bond, the Series 2012-B Bond, the Series 2013-A Bond, and the Series 2013-B Bond, the "Outstanding Bonds"), which was issued under and pursuant to the Ninth Supplemental Indenture; and (b) in Article VIII of the Indenture, the University has reserved the right to issue additional bonds, secured by a pledge of the Pledged Revenues on a parity with the Outstanding Bonds and with such additional bonds as shall have thereafter been issued thereunder, upon compliance with the applicable provisions of said Article VIII;

(7) the Outstanding Bonds, together with the Series 2004 Bonds, are the only bonds heretofore issued under the Indenture that are at this time outstanding under the Indenture; and

(8) the Series 2014-A Bond will be issued for the purposes described in Section 8 hereof.

The Trustee is hereby requested to authenticate and deliver the Series 2014-A Bond to PNC.

Section 2. Authorization of the Series 2014-A Bond. For the purposes specified in Section 1 of this resolution, the University does hereby sell its University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014, in a principal amount of \$41,245,000, to PNC, under the terms, conditions and provisions set out in the Tenth Supplemental University Facilities Revenue Trust Indenture dated March 14, 2014, between the University and The Bank of New York Mellon Trust Company, N.A., as trustee (herein called the "Trustee"), which is supplemental to the University Facilities Revenue Trust Indenture between the University and the Trustee dated as of February 15, 1996 (the said Trust Indenture, as heretofore supplemented and amended and as further supplemented and amended by the said Tenth Supplemental University Facilities Revenue Trust Indenture, herein called the "Indenture"). All the provisions of the Indenture respecting the Series 2014-A Bond are hereby adopted as a part of this resolution as fully as if set out at length herein.

Section 3. Source of Payment of the Series 2014-A Bond. The principal of and the interest on the Series 2014-A Bond shall be payable solely from the Pledged Revenues as defined in the Indenture. Nothing contained in this resolution, in the Series 2014-A Bond or in the Indenture shall be deemed to impose any obligation on the University to pay the principal of or the interest on the Series 2014-A Bond except from and to the extent of the Pledged Revenues. The Series 2014-A Bond shall not represent or constitute an obligation of any nature whatsoever of the State of Alabama (the "State") and shall not be payable out of moneys appropriated to the University by the State. The agreements, covenants and representations contained in this resolution, in the Series 2014-A Bond 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 2014-A Bond 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 2014-A Bond nor any obligation arising from the aforesaid pledge or agreements shall be payable out of any moneys appropriated to the University by the State. Nothing contained in this section shall, however, relieve the University from the observance and performance of the several covenants and agreements on its part herein contained and contained in the Indenture.

Section 4. Series 2014-A Bond Payable at Par. All remittances of principal of and interest on the Series 2014-A Bond to the holder thereof shall be made at par without any deduction for exchange or other cost, fees or expenses. The bank at which the Series 2014-A Bond 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 2014-A Bond, out of the moneys provided for that purpose, in bankable funds at par without any deduction for exchange or other cost, fees or expenses. The University will pay to such bank all reasonable charges made and expenses incurred by it in making such remittances in bankable funds at par.

Section 5. Authorization of Tenth Supplemental University Facilities Revenue Trust Indenture. The Board does hereby authorize and direct the Acting President of the University to execute and deliver, for and in the name and behalf of the University, to The Bank of New York Mellon Trust Company, N.A., as Trustee under the aforesaid Indenture, a Tenth Supplemental University Facilities Revenue Trust Indenture dated March 14, 2014, in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit I to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), and does hereby authorize and direct the Secretary of the Board to affix to the Tenth Supplemental University Facilities Revenue Trust Indenture the corporate seal of the University and to attest the same.

Section 6. Sale of the Series 2014-A Bond. The University does hereby sell to PNC the Series 2014-A Bond at and for a price equal to the face amount of such bond (\$41,245,000). The Series 2014-A Bond shall bear such date, shall mature in annual installments at such times and in such manner, shall

bear such rate of interest, shall be payable at such place, shall be in such denomination, and shall be in such form and contain such provisions as are set out in the Tenth Supplemental University Facilities Revenue Trust Indenture authorized in Section 5 above.

Section 7. Execution and Delivery of the Series 2014-A Bond. The Board does hereby authorize the Acting President of the University to execute the Series 2014-A Bond, in the name and on behalf of the University, by causing a manual or facsimile of his signature to be imprinted thereon, and does hereby authorize the Secretary of the Board to cause the corporate seal of the University to be imprinted or impressed on the Series 2014-A Bond and to attest the same by causing a manual or facsimile of his signature to be imprinted thereon, all in the manner provided in the Indenture, and the Acting President of the University is hereby authorized to deliver the Series 2014-A Bond, subsequent to its execution as provided herein and in the Indenture, to the Trustee under the Indenture, and to direct the Trustee to authenticate the Series 2014-A Bond and to deliver it to PNC (as purchaser thereof).

Section 8. Application of Proceeds. The entire proceeds derived from the sale of the Series 2014-A Bond shall be deposited by the University into a special fund or account established in the name of the University with PNC (the "2014-A Bond Proceeds Account"). On or before the Redemption Date (defined below), the University shall liquidate and withdraw all amounts in the 2014-A Bond Proceeds Account and remit the same to the Trustee for deposit into the Bond Fund of the Indenture. The University shall also remit and pay to the Trustee such amount as shall be necessary to cover accrued interest on the Called Series 2004 Bonds to the Redemption Date and any other amounts necessary to cause sufficient funds to be on deposit in the said Bond Fund to redeem and pay the Called Series 2004 Bonds on the Redemption Date.

Section 9. Redemption and Payment of the Called Series 2004 Bonds; Related Actions.
(a) The University does hereby elect to redeem and pay, and does hereby call for redemption and payment, on April 16, 2014 (the "Redemption Date") the Called Series 2004 Bonds, the redemption of the Called Series 2004 Bonds to be effected at and for a redemption price equal to 100% of the principal amount thereof plus accrued interest to the Redemption Date.

(b) The Trustee is hereby authorized and directed to cause written notice of the redemption and payment of the Called Series 2004 Bonds to be given in the manner and at the times and to the persons required pursuant to the Indenture, and to take all such other actions as shall be necessary or desirable in order to cause the Called Series 2004 Bonds to be redeemed and paid on the Redemption Date.

(c) The Acting President and the Vice President for Financial Affairs of the University are hereby authorized and directed to take or cause to be taken, in the name and behalf of the University, all of the actions that may be necessary or desirable to effect the redemption and payment of the Called Series 2004 Bonds on the Redemption Date including, without limitation, to direct the Trustee on the proper disposition of all funds on deposit in the funds and accounts established pursuant to the Indenture and referable to the Called Series 2004 Bonds. The Acting President and the Vice President for Financial Affairs of the University are further authorized and directed to execute and deliver such notices, directions, consents, agreements, certificates, instruments or other documents as shall be necessary or desirable to effectuate the transactions contemplated by this resolution.

Section 10. Resolution Constitutes Contract; Severability. The provisions of this resolution shall constitute a contract between the University and the holder of the Series 2014-A Bond. 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 11. General Authorization. The Acting President of the University, the Vice President of Financial Affairs of the University, and the Secretary of the Board are hereby authorized to execute such further agreements, certifications, instruments or other documents, and to take such other actions as any of

them may deem appropriate or necessary, for the consummation of the transactions covered by this resolution, to the end that the Series 2014-A Bond may be executed and delivered as promptly as practicable.

Chairman Furr called for a report on audit items. On behalf of Mr. Corcoran, Chair of the Audit Committee, President Smith called upon Mr. Simmons to address the KPMG Report on USA Intercollegiate Athletics for the year ended September 30, 2013, **ITEM 11**. Mr. Simmons said the examination of USA's athletics procedures yielded a clean report without findings.

Chairman Furr called for a report on development, endowment and investments items. On behalf of Mr. Yance, Chair of the Development, Endowment and Investments Committee, President Smith called upon Dr. Erdmann to discuss **ITEM 13** as follows. Dr. Erdmann said the amendment of the bylaws of the Jaguar Athletic Fund (JAF) is subject to the approval of the USA Board of Trustees, which aligns with SACS recommendations. On motion by Dr. Stokes, seconded by Ms. Miree, the resolution was approved unanimously:

**RESOLUTION
AMENDED BYLAWS OF THE JAGUAR ATHLETIC FUND, INC.**

WHEREAS, the Jaguar Athletic Fund, Inc. (JAF), in furtherance of the Southern Association of Colleges and Schools' (SACS) recommendations pertaining to supporting organizations of universities and schools, has proposed to amend its bylaws to include the following:

- A nominating committee will choose a slate of Officers and Directors of JAF which will be presented to the Board of Trustees of the University for approval; and
- A Director or Officer of JAF may be removed at any time by a majority vote of the Board of Trustees of the University; and,
- Amendments to the Bylaws of JAF must be ratified by the Board of Trustees of the University;

and,

WHEREAS, the JAF Board of Directors approved these amended bylaws, as attached hereto, on January 23, 2014, and,

WHEREAS, the Board of Trustees of the University believes it to be in the best interests of the University of South Alabama and the JAF to amend the bylaws as attached,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama hereby approves and ratifies the amended bylaws of the Jaguar Athletic Fund, Inc., attached hereto and incorporated herein.

With reference to materials distributed, Dr. Busta presented **ITEM 14**, a report on the Mitchell-Moulton Scholarship Initiative. He directed attention to a list of committee members who, led by Campaign Chairman Mr. Mark Hoffman, will work to secure \$25 million in gifts to fund undergraduate scholarships. Contributions up to \$25 million will qualify for matching funds. The public phase of the campaign began on January 16. To date, 591 gifts and pledges, totaling \$1.4 million, have been received and matched. Through this drive, 119 new donors have

been identified, 55 new scholarships have been created, and 123 existing scholarships have been enhanced. Dr. Busta said 23 proposals totaling another \$1.9 million are pending. He said many individuals giving within their means would make the difference in achieving the campaign goal, and added every volunteer has at least one high-profile prospect.

Dr. Busta reported on the recognition received by Mr. Abe Mitchell in a *Chronicle of Philanthropy* article in February, which ranked him 41 out of the 50 top donors in the nation in 2013. The Mitchell family was honored in a subsequent article, in which a message encouraging compassion and making a difference was conveyed. The article named the University of South Alabama as the Mitchell family's designee for making an impact.


Messrs. Albano and Pitman presented ITEM 12, a report on endowment and investment performance. Mr. Albano advised that the return outperformed the relative index by .95 percent. The return from October 1, 2013, through December 31, 2013, was 5.47 percent versus a relative index of 4.52 percent. Mr. Pitman discussed the reasons for the outperformance and Mr. Albano reviewed asset allocation for the 2013 fiscal year. He pointed out that the allocations are within the parameters outlined in the University's investment policy. He discussed endowment results since inception, noting a performance of 5.17 percent versus an index of 4.43 percent, an outperformance of .74 percent. He compared USA's endowment performance to the average reported by the National Association of College and University Business Officers (NACUBO). The one-year return from June 1, 2012, through June 30, 2013, was 14.71 percent versus 11.70 percent; the three-year return was 11.25 percent versus 10.20 percent; and the five-year return was 4.59 percent versus 4 percent – results that put USA's portfolio among the top performers in the NACUBO endowment study.

Recently-elected U. S. Congressman Bradley Byrne and incoming President Dr. Tony Waldrop were introduced. Each made brief remarks.

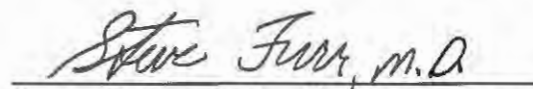
There being no further business, the meeting was adjourned at 12:13 p.m.

Attest to:

Respectfully submitted:



James H. Shumock, Secretary



Steven P. Furr, M.D., Chair *pro tempore*

BYLAWS
OF THE BOARD OF TRUSTEES
OF THE UNIVERSITY OF SOUTH ALABAMA

PREAMBLE

The Legislature of the State of Alabama has vested full management and control over the University of South Alabama in a Board of Trustees pursuant to Act No. 157, Acts of Alabama, 1963, Secondary Extraordinary Session; the Legislature has stated: "The Governor and the State Superintendent of Education, by virtue of their respective offices, and the [T]rustees appointed from the senatorial districts of the state, enumerated in Section 16-55-2, are constituted a public body corporate under the name of the University of South Alabama to carry into effect the purposes expressed in this article and to establish a state institution of higher learning."(Code of Alabama, 1975, Section 16-55-1). For the purpose of providing a definitive and orderly form of governance, and in order to continue to carry out the purposes required of the Board of Trustees of the University of South Alabama, in the establishment and continuation of a state institution of higher learning, the Board of Trustees hereby does promulgate and adopt these Bylaws.

ARTICLE I
THE BOARD OF TRUSTEES

The entire management and control over the University of South Alabama (hereinafter referred to as the "University") shall be vested in the Board of Trustees of the University of South Alabama (hereinafter referred to as the "Board"); however, upon general or specific authorization or delegation made or provided for in these Bylaws, the Board may exercise such management and control through the officers, officials, committees and agents as it may deem fit and appropriate, all in accordance with state law. The Board acts as a body politic and no individual member of the Board shall have the authority to act for the Board or for the University.

Section 1. Composition of Board. Consistent with the 2014 amendatory language to Sections 16-55-2 , Code of Alabama 1975, the Board shall consist of **three** members from Mobile County; **five** members from the State at large ; **two** members from the United States at large; the Governor, who shall be ex officio president of the Board; and **one** each from each of the following State senatorial districts, or combinations thereof, as those districts existed in 1963: Sixteenth and Seventeenth Districts comprising Monroe and Wilcox Counties and Butler, Conecuh, and Covington Counties, respectively; Nineteenth and Twentieth Districts comprising Choctaw, Clark, and Washington Counties, and Marengo and Sumter Counties, respectively; Twenty-first District comprising Baldwin and Escambia Counties; Twenty-third, Twenty fifth, and Thirtieth Districts comprising Dale and Geneva Counties, Coffee and Crenshaw Counties, and Dallas and Lowndes Counties, respectively;.. and the Thirty-fifth District comprising Henry and Houston Counties.

Section 2. Election and Term of Office. The Governor, as an *ex officio* Trustee, serves his or her term of office in correspondence with his or her term of office as Governor of the State of Alabama. In accordance with the statute regarding the University of South Alabama, the Trustees are appointed by the Governor, by and with the advice and consent of the State Senate, and, for those appointed or reappointed after the effective date of the 2014 amendment to said statute, hold office for a term of six years, and until their successors shall be appointed and qualified. Any Trustee appointed to serve a twelve-year term before the effective

date of the 2014 amendment will continue to serve for the remainder of that term. As terms expire after that date, appointments to fill positions on the Board shall be for six-year terms. There are three classes of board members, so that, after the transition to all Trustees serving six-year terms, one-third of the members of the Board is appointed every two years. Vacancies occurring in the office of Trustee, from death or resignation, and the vacancies regularly occurring by expiration of the term shall be filled by the Governor, and the appointee holds office until the next meeting of the Legislature. Successors to those Trustees whose terms expire during an interim shall hold office for a full term, unless they are rejected by the Senate. Neither the existence nor continuation of a vacancy in the office of the Trustee shall serve to impair or hinder any provisions of these Bylaws or the validity of the operation and actions by the Board by virtue of that vacancy alone.

Section 3. Compensation of Trustees. No Trustee shall receive any pay or emolument other than his or her actual expenses incurred in the discharge of duties as a Trustee; such expenses shall be paid or reimbursed from University funds, upon the authorization of the President of the University (hereinafter referred to as the "President").

Section 4. Primary Functions of the Board. The Board acts as a public body corporate, and no individual member of the Board has the authority to act for the Board or the University. Communications to the Board shall be directed to the Board through the President or Chair *pro tempore*, except as otherwise provided herein. The Board of Trustees, as a public body corporate, has all rights, privileges, and authority necessary to promote the purpose of its creation, which is to establish and provide for the maintenance and operation of a state university in Mobile County. In accordance with such powers, the Board of Trustees shall have the power to organize the institution by appointment of instructors and faculty members, and such executive and administrative officers and employees, as may be necessary to operate the University, which the Board hereby delegates to the President; the Board may remove any faculty members or employees in its discretion, and shall have the power and authority to fix salaries or compensation, increase or reduce same at its discretion, all of which duty the Board hereby delegates to the President. The Board may prescribe courses of instruction, rates of tuition and fees, confer such academic and honorary degrees as are usually conferred by institutions of like character, and may do all else necessary and considered in the best interest of the institution to carry out the purposes of the institution.

Section 5. **Emeritus Status.** The Board, in its sole discretion, may recognize any Trustee who has served with distinction as Trustee Emeritus following said Trustee's term of service. Any Trustee so recognized as Trustee Emeritus shall have no voting rights and will remain Trustee Emeritus at the pleasure of the Board of Trustees. Such designation shall confer no responsibilities, duties, rights, or privileges as such but shall constitute recognition of service and experience and will publicly acknowledge that person as particularly suited for counsel and advice to the Board. The Board encourages the availability of those who have been awarded Trustee Emeritus status for such counsel and advice and may request special services of them.

Section 6. **Removal of a Trustee.** Under the laws of the State of Alabama, the Board of Trustees has no power to remove one of its members. Section 60 of the Constitution of Alabama, which provides that "[no] person convicted of embezzlement of the public money, bribery, perjury, or other infamous crime, shall be eligible to the legislature, or capable of holding any office of trust or profit in this state" sets forth the constitutional grounds and procedure for removing a Trustee.

ARTICLE II MEETINGS OF THE BOARD OF TRUSTEES

Section 1. **Annual and Regular Meetings.** The Board shall hold a regular annual meeting each year at the University on the first Monday in June, unless the Board, in regular session, shall determine to hold its annual meeting at some other time and place. Each year at the annual meeting, the Board shall schedule its regular meetings to be held during the ensuing year, and may designate one such meeting as the annual meeting of the Board. This schedule of meetings then will be recommended to the Governor for approval. The Chair *pro tempore* may cancel or change the date, place or time of a scheduled regular or annual meeting. The President will provide advance notice of such changes or cancellation. In any event, the Board shall meet at least once in each year.

Section 2. **Special Meetings.** In addition, other than the annual and regularly scheduled meetings of the Board, special meetings of the Board may be assembled, as follows: Special meetings may be called by the Chair *pro tempore* of the Board or the Governor by

written notice mailed to each Trustee at least ten (10) days in advance of the date of the meeting; a special meeting shall be called by the Chair *pro tempore* or the Governor upon application in writing of any three or more members of the board. No special meeting shall be held on a date less than ten (10) days subsequent to the Chair *pro tempore*'s or Governor's notice of the meeting, except in case of an emergency, which the Chair *pro tempore* or Governor shall specify in his or her notice to the Board of Trustees.

Section 3. Adjourned Meetings. At any meeting, the Board may continue in session as long as it may deem proper for the welfare of the institution. Any session may be adjourned, as provided in *Roberts Rules of Order*, as last revised, and continued at a future time with proper notice to all members.

Section 4. Quorum. Seven members of the Board of Trustees shall constitute a quorum, but a smaller number may adjourn from day to day until a quorum is present. A majority of those present shall govern unless a greater number is required hereunder. Members of the Board of Trustees may participate in a meeting of the Board or committee by means of telephone conference, video conference, or similar communications equipment by means of which all persons participating in the meeting may hear each other at the same time. Participation by such means shall constitute presence in person at a meeting for all purposes. However, a majority of a quorum of the members of the Board of Trustees, or, in the event of a meeting of only the executive committee, a majority of a quorum of the executive committee of the Board of Trustees, must be physically present at the location noticed and called for the meeting in order to conduct any business or deliberation. Members of the Board of Trustees and any committees of the board may not utilize electronic communications or otherwise conduct meetings except as in compliance with the Alabama Open Meetings Act. No Trustee for whom a conflict of interest exists shall vote on such matter before the Board.

Section 5. Agenda. The President shall mail to each member of the Board notice of the time and place of any meeting, which shall include an agenda for the meeting, at least ten (10) days prior to the time of meeting. The development and preparation of the agenda for Board meetings shall be vested in the President, who shall place such items on the agenda as are needed for the ongoing operation of the institution and/or that require the approval of the Board. Members of the Board desiring to place any item or items on the agenda for meetings shall

inform the President in writing not less than fifteen (15) days prior to the meeting concerning such items, and the President shall include the items in the agenda to be mailed out to the members of the Board in accordance with the foregoing. Any item not included on the agenda mailed to members prior to a meeting may be considered upon the approval of a majority of those present and voting; provided, however, that any discussion or action upon the election of officers of the Board and/or the appointment and/or termination, including a contract renewal, of the President of the University, must be specifically identified on the agenda that was mailed at least ten (10) days prior to the time of meeting. The agenda that is approved by the Board at the commencement of the Board meeting shall be considered the official agenda. The omission of an item from the official agenda shall not invalidate otherwise valid actions by the Board.

Section 6. Minutes. Minutes of all meetings of the Board and its committees shall be prepared and distributed promptly to all members of the Board under the direction of the Secretary of the Board. Upon approval by the Board or committee, such minutes shall be recorded in substantially bound books retained in the Office of the President under the direction of the Secretary of the Board.

Section 7. Public Admission to Meetings. All meetings of the Board of Trustees shall be open to the public, except that the Board may declare an executive session as authorized by law. Formal action by the Board resulting from any executive session discussions shall be taken by the Board in an open meeting and made a part of the official minutes.

Section 8. Rules of Order. Rules of order shall be in accordance with *Robert's Rules of Order*, as last revised, which are the normal governing parliamentary procedure rules. The Chair of the meeting will determine all questions concerning such rules.

Section 9. Meeting Attendance. Inasmuch as the Board of Trustees has determined that meeting attendance is crucial to the most efficient management of the University and operation of the Board, the names of all Trustees who do not attend at least half the meetings scheduled each Board year will be reported to the Chair *pro tempore* at the next annual meeting of the Board, and the Chair *pro tempore* will then take the actions he or she deems appropriate.

ARTICLE III OFFICERS

The Board shall have the following officers and any other officers it may elect from time to time. Such officers shall have the powers and shall perform the duties as are set forth herein, together with those which may be authorized and delegated by the Board from time to time. The terms of office for the Chair *pro tempore*, Vice Chair, and Secretary will be three years, with elections held at the annual meeting of the Board corresponding with the expiration of those terms. If a vacancy occurs during the term of any such office, an election to complete the term of that office will be held at the next meeting of the Board.

Section 1. **Chair of the Board.** The Governor of the State of Alabama shall be *ex officio* President of the Board as well as *ex officio* Chair of the Board. The Chair shall preside at all Board meetings which he or she attends and shall call special meetings of the Board upon the conditions set forth herein.

Section 2. **Chair Pro Tempore.** Upon adoption of these Bylaws and thereafter, the Board of Trustees shall elect from its membership a Chair *pro tempore* for a three-year term, commencing immediately following the annual meeting at which the election is held. Such officer may not be elected for successive terms. He or she shall preside at all Board meetings in the absence of the Governor and call special meetings of the Board upon the conditions set forth herein. The Chair *pro tempore* shall serve as chair of the Executive Committee, and shall appoint such committees as may be authorized by the Board, or as he or she may deem desirable, fill vacancies which will occur on such committees, and give final approval to the agenda for the Board meeting.

Section 3. **Vice Chair.** Concurrent with the time of election of the Chair *pro tempore* for the term set forth for the Chair *pro tempore* in Section 2, the Board shall elect from its membership a Vice Chair. In the absence of both the Governor and the Chair *pro tempore*, the Vice Chair shall assume those duties. The Vice Chair shall serve on the Executive Committee.

Section 4. **The Secretary.** Concurrent with the time of election of the Chair *pro tempore* and for the term set forth for the Chair *pro tempore* in Section 2, the Board shall elect a Secretary. Through the Office of the President of the University, the Secretary shall be responsible for the preparation and distribution of notices of Board meetings and agendas. In addition, he or she shall attend Board meetings and make, record, and retain complete records and minutes of all official actions of the Board and its committees. The Secretary shall be the custodian of the corporate seal and affix the seal to documents as executed on behalf of the Board and shall attest to the same and certify any action of the Board. The Secretary shall serve on the Executive Committee.

Section 5. **Removal from Office.** Any officer of the Board may be removed from his or her office for cause by a two-thirds vote of the full Board of Trustees.

ARTICLE IV COMMITTEES

Organization. The Board may create such committees as it deems proper, and may assign to such committees any authority, duty or responsibility desired by the Board; provided, however, that all committees, except the Executive Committee, are advisory to the full Board. The committees of the Board shall consist of the standing committees created herein and other committees created by the Board from time to time. The standing committees shall have the powers, duties and responsibilities set forth herein, or subsequently assigned by the Board through adoption and approval of amendments to these Bylaws. Vacancies in committee memberships shall be filled in the same manner as when appointments originally were made. Committee members and the chair and the vice chair of the committees shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*.

Method of Operation. The committees and subcommittees shall meet upon the call of the President, the Chair *pro tempore*, or the chair of the committee or subcommittee. Unless otherwise provided, actions taken by such committees are not binding upon the Board, but shall be advisory, except those actions undertaken by the Executive Committee, as authorized in

Article IV, Section I, herein. All recommendations and actions of the committees shall be reported to the Board of Trustees.

Section 1. Executive Committee. The Chair *pro tempore* shall appoint an Executive Committee consisting of seven (7) members of the Board, subject to the approval of the Board, with terms concurrent with the term of the Chair *pro tempore*, who serves as chair of the Executive Committee. The majority of the Executive Committee constitutes a quorum. With notice from the President or the Chair *pro tempore*, the Executive Committee may meet at any time. The Executive Committee has the power to transact all business of the Board in the interim between meetings of the Board and may perform all duties and transact all business necessary for the well-being of the University, including, but not limited to, matters related to real estate, personnel issues, investments and athletics. However, action by the full Board is required to amend these Bylaws, remove officers from the University, select or remove the President of the University, issue bonded indebtedness on behalf of the University, or as otherwise determined by the full Board. Minutes of the Executive Committee shall be submitted to all members of the Board.

Section 2. Budget and Finance Committee. The Budget and Finance Committee shall be responsible for the review and study of budget requests; recommending comprehensive budgets; review and study of required audits; and submitting such reports and recommendations to the Executive Committee of the Board and/or the full Board, as deemed necessary and appropriate.

Section 3. Long Range Planning Committee. The Long Range Planning Committee shall be responsible for long range plan recommendations; review of new and existing academic programs; academic planning and organization; mission statement and statements of role and scope; review of planning for new facilities; and other matters which may be referred to it by the President or the Board.

Section 4. Health Affairs Committee. The Health Affairs Committee shall be responsible for providing guidance to and receiving reports from staff and administrative personnel responsible for the University of South Alabama Hospitals and Clinics. It will consider and make recommendations requiring Board action relating to the Hospitals and Clinics

and the College of Medicine. In addition to committee members designated as provided in these Bylaws, the committee includes, as non-voting *ex officio* members, the President, the Vice President for Health Sciences, Dean of the College of Medicine, the President of the Medical Staff of the University of South Alabama Medical Center and the Vice President for Health Systems.

Section 5. Academic and Student Affairs Committee. The Academic and Student Affairs Committee shall be responsible for receiving and reviewing information relevant to issues involving academic affairs and student affairs at the University.

Section 6. Development, Endowment and Investments Committee. The Development, Endowment and Investments Committee shall be responsible for establishing policies and guidelines to oversee University Development and Alumni Relations programs, invest and manage the University's endowment and other investment funds, and for submitting such reports and recommendations to the Executive Committee of the Board and/or the full Board of Trustees, as deemed necessary and appropriate.

Section 7. Committee Participation. The President of the University is vested with the responsibility of providing notice of all committee meetings to the members of the committees. The Chair *pro tempore* will serve as an *ex officio* member on each committee. The President and the Chair *pro tempore* may participate in all meetings but shall have no vote, except that the Chair *pro tempore* shall have a vote when he or she is a member of the committee. All committees assist and support the Board, President, faculty, and staff in carrying out their responsibilities. Committees may request through the Office of the President any information necessary or appropriate to their deliberations. All committee reports and recommendations shall be submitted for consideration and are advisory in nature until they have been approved by the full Board. Any Board member may attend any committee meeting.

ARTICLE V PRESIDENT AND DUTIES

Appointment of the President of the University as Chief Executive Officer of the Institution. The President shall be selected by the Board of Trustees and serve at the pleasure

of the Board but may be removed only by a vote of eight members of the Board. The Board of Trustees is responsible for conducting periodic evaluations of the performance of the President.

The President is the chief educational and administrative officer of the University. Unless excused by the Chair, he or she shall attend and participate in all meetings of the Board and may make recommendations on matters before the Board. The President does not vote on Board matters. The President shall be responsible for the execution of the policies of the Board and the Executive Committee and performing all those matters necessary to carry out the ends and purposes for which the University was established. The President shall have all authority necessary to conduct the programs of the University, including the authority to award degrees, add officers to the University which he or she deems necessary, delegate authority among subordinates and all other authority which shall, from time to time, be delegated by the Board of Trustees to the President. Prior to appointment of vice presidents, the President shall notify the Board of his or her intention to appoint such officers to the University. The President reports to the Board on the current operations of the University and directs, coordinates and implements the planning, development and appraisal of all activities of the University of South Alabama.

ARTICLE VI CONFLICT OF INTEREST

Members of the Board of Trustees ("Trustees") of the University of South Alabama have an affirmative obligation to act at all times in the best interests of the University. This policy serves to define the term "conflict of interest" to assist members of the Board in identifying and disclosing such conflicts, and to minimize the impact of such conflicts on the actions of the University whenever possible.

Fiduciary duty. Each Trustee has a fiduciary duty to conduct himself or herself without conflict to the interests of the University. When acting within his or her capacity as a Trustee, he or she must subordinate personal, business, third-party, and other interests to the welfare and best interests of the University.

Conflict of interest. A "conflict of interest" is any transaction or relationship which presents, or may present, a conflict between a Trustee's obligations to the University and his or

her personal, business, or other interests. A conflict of interest may arise in any circumstance that may compromise the ability of a Trustee to make unbiased and impartial decisions on behalf of the University. Such circumstances may involve family relationships,¹ business transactions, professional activities, or personal affiliations.

Further, Alabama Code §13A-10-62 (1975) provides:

- (a) A public servant commits the crime of failing to disclose a conflict of interest if he exercises any substantial discretionary function in connection with a government contract, purchase, payment or other pecuniary transaction without advance public disclosure of a known potential conflicting interest in the transaction.
- (b) A “potential conflicting interest” exists, but is not limited to, when the public servant is a director, president, general manager or similar executive officer, or owns directly or indirectly a substantial portion of any non-governmental entity participating in the transaction.
- (c) Public disclosure includes public announcement or notification to a superior officer or the attorney general.
- (d) Failing to disclose a conflict of interest is a Class A misdemeanor.

Disclosure. The Board of Trustees recognizes that conflicts of interest are not uncommon, and that not all conflicts of interest are necessarily harmful to the University. However, the Board requires full disclosure of all actual and potential conflicts of interest. Each Trustee shall disclose any and all facts that may be construed as a conflict of interest, both through an annual completion of a Statement of Disclosure, and completion of an amended Statement of Disclosure whenever such actual or potential conflict occurs.

Process. Any actual or potential conflicts which are presented in a Statement of Disclosure or amended Statement of Disclosure will be evaluated for action, as needed, by the Chair *pro tempore* of the Board of Trustees. The Chair *pro tempore*, or Vice Chair if evaluating a possible conflict of the Chair *pro tempore*, of the Board may either handle the evaluation on his or her own or refer it to the Board for further consideration. Additional information from a Trustee may be sought at any time. A Trustee whose potential conflict is under review may not debate, vote, or otherwise participate in the evaluation of the conflict. If a conflict is being

¹Family relationships include spouse, child, grandchild, parent, grandparent, sibling, niece, nephew, aunt, uncle, cousin, in-laws and step relations, as well as any person living in the household of a Trustee.

evaluated or has been found to exist, the Trustee shall recuse himself or herself from any discussion or voting regarding transactions involving the area of conflict.

Resolution. If it is determined that an actual or potential conflict of interest does exist, an appropriate remedy shall be determined. Such remedy may include, but is not limited to, the following:

- Waive the conflict of interest as unlikely to affect the Trustee's ability to act in the best interests of the organization.
- Determine that the Trustee should be recused from all deliberation and decision-making related to the particular transaction or relationship that gives rise to the conflict of interest.

Policy regarding Trustees doing business with the University. A conflict of interest exists any time a Trustee seeks to enter into a business relationship with the University. Similar conflicts may arise through family members or through organizations in which a Trustee serves in a leadership, employment, or ownership capacity.

Such conflicts do not necessarily preclude business relationships with the University. The following procedure is designed to resolve conflicts of interest whenever a Trustee or a member of his or her family (see footnote number 1) has an ownership interest in, is a director, officer, or key individual of an entity which intends to enter into a business relationship with the University:

- The Trustee must promptly disclose the intent to enter into a business relationship with the University to the Chair *pro tempore* of the Board of Trustees.
- The Trustee must recuse himself or herself from all deliberation, debate and voting related to the contemplated business relationship.

- The Chair *pro tempore* or the Board if the issue is referred by the Chair, must determine without the presence or participation of the Trustee under review that the transaction is fair and in the best interest of the University.
- If the business relationship under consideration is approved, the Trustee may not participate in any process by which his or her performance as a vendor or recipient is evaluated, or in any such evaluation of a related party.

Notwithstanding the foregoing, contracts, or proposals for purchases of goods, property, or services will not be awarded to organizations in which a Trustee either:

- 1) holds an interest of ten percent (10%) or greater, or
- 2) serves as a director or senior executive officer,

if a substantial part of the contract or proposal involves the quality of performance (i.e. possibly requiring enforcement of a performance bond or filing suit for non-performance). Also, no Trustee shall advocate or attempt to influence the employment by the University of any member of his or her family.

ARTICLE VII SEAL

Section 1. **Official Corporate Seal.** The official corporate seal of the University of South Alabama shall be circular in form, encircled as follows:



ARTICLE VIII
AMENDMENT OR REPEAL OF BYLAWS

After the adoption of these Bylaws, they may be amended or repealed at any meeting of the Board by eight members of the Board voting in favor of same, but no such action shall be taken unless notice of the substance of such proposed adoption, amendment or repeal was given at a previous meeting or notice in writing of the substance of the proposed change was served upon each member of the Board at least thirty (30) days in advance of the final vote upon such change. However, by unanimous consent of the entire Board, the requirements for such notice may be waived. The Chair *pro tempore* may appoint an ad hoc committee which may meet from time to time to consider Bylaw amendments.

11th Edition, March 7, 2014

UNIVERSITY OF SOUTH ALABAMA



OFFICE OF THE PRESIDENT

TELEPHONE: (251) 460-6111
MOBILE, ALABAMA 36688-0002

Declaration of Best Interest

To: University of South Alabama Board of Trustees

From: John W. Smith, ^{JK}Acting President

Re: Use of Real Estate Broker in Sale of Land

Date: March 7, 2014

The University of South Alabama (USA) owns land obtained through a gift/bargain sale to the University by Dr. and Mrs. Jack Hays located in Baldwin County. Given the parcel and its location remote to the campus, I believe it to be in the best interest of the University of South Alabama to sell the land and any improvements thereon and use the proceeds to further the mission of the University. Also, given the parcel and its location, I approve the placement of the land with a duly licensed real estate broker as economically justified and in the best interest of the State of Alabama and the University in order to achieve the most economically advantageous and expeditious sale possible. I would, therefore, recommend that should the Board agree to the sale of this land, that the Board ratify my approval, as the agent of the Board, of this method of sale.

Affiliation Agreement
Between
University of South Alabama
and the

University of South Alabama Foundation for Research and Commercialization

This Agreement is made and entered into this _____ day of _____, 2012 (the Effective Date) by and between University of South Alabama (hereinafter "USA" or "University"), a public body corporate, and the University of South Alabama Foundation for Research and Commercialization, a corporation duly organized under the laws of the State of Alabama (hereinafter "Foundation").

RECITALS

WHEREAS, USA is a state institution of higher learning established pursuant to the laws of the State of Alabama; and

WHEREAS, Foundation has been established as a non-profit, educational and charitable organization under Section 501(c)(3) of the Internal Revenue Code of 1986 for the purposes outlined in its Articles of Incorporation, a copy of which is attached to this Agreement as "Exhibit A;" and

WHEREAS, Foundation serves University and promotes its mission as indicated in "Exhibit A," by, among other things, furthering the educational and scientific mission of University through support of its academic programs, scientific research and development initiatives, and enhancement of University's educational and training opportunities through, among other things, promotion of development, growth and retention of high technology industries and research in Alabama, and to create, develop, construct, operate, manage, and finance one or more research and technology parks to further scientific research activities of University; and

WHEREAS, Foundation has the responsibility as an affiliated entity to use its resources in a responsible and effective manner to further the mission of University and to support University; and

WHEREAS, University and Foundation will interact and cooperate in ways that will serve the interests of University; and

WHEREAS, USA has the authority and right to enter into agreements with affiliated 501(c)(3), not-for-profit organizations; and

WHEREAS, University and Foundation anticipate that University will provide Foundation with specified services and facilities with which to carry out its responsibilities in exchange for the development, financial, and other service, support, and assistance Foundation shall provide University; and

WHEREAS, USA and Foundation desire to define the arrangements concerning services, facilities, premises and activities as set forth in this Agreement.

NOW THEREFORE, in consideration of the premises and mutual covenants contained herein, University and Foundation do hereby agree as follows:

ARTICLE 1. PERSONNEL AND SERVICES

Foundation may utilize, with the approval of the President of University, such University administrative, professional and other employees from time to time as are needed to carry out the purposes of Foundation as agreed by University.

ARTICLE 2. FOUNDATION OBLIGATIONS

2.1 Foundation agrees to provide the services and compensate University as from time to time agreed upon between University of South Alabama and Foundation.

2.2 Foundation agrees that it may only use its resources to advance University's mission as outlined in its Articles of Incorporation. Foundation further agrees that it may not amend its Articles of Incorporation or By-Laws during the life of this Agreement unless University consents to the proposed amendment.

2.3 Foundation agrees to maintain its financial and accounting records in accordance with Generally Accepted Accounting Principles. Foundation agrees to retain all books, accounts, reports, files and other records of Foundation relating to this Agreement, if any, and make such records available at all reasonable times for inspection and audit by University, or their agents, during the term of and for a period of five years after the completion of this Agreement.

2.4 Foundation agrees to submit to an audit, by request of University, of Foundation's books, records, and expenditures, if any. University shall have the right to audit all records, financial and otherwise, if any, of Foundation to assure that funds, resources and services provided by University are expended for the ultimate benefit of University and are expended by Foundation for purposes consistent with the terms of this Agreement. If University funds are expended for purposes inconsistent with this Agreement, Foundation, upon demand by University, shall reimburse University for such misused funds, and University shall have all rights provided by law, including the right to suspend further provision of resources under this Agreement and to terminate this Agreement.

2.5 To the extent that Foundation engages in fundraising on behalf of University, Foundation agrees to accept or solicit only those gifts that are consistent with University's missions, goals or objectives.

2.6 Foundation shall not accept any gift, donation, grant or enter into any transaction that creates any liability for University, without advance written approval of the University President.

2.7 Foundation acknowledges and agrees that University owns all copyright, interest in and right to all trademarks, trade names, logos, and service marks developed by University for use by Foundation, including all such trademarks, service marks, and trade names historically associated with Foundation.

2.8 Foundation shall adopt and maintain a conflict of interest policy.

2.9 Foundation shall provide the University President reasonable notice of any regular, annual, or special meetings of its Board of Directors or of its Executive Committee, and the President or his designee shall have the right to attend any such meetings as well as the meetings of any other Foundation committees.

2.10 If Foundation should cease to exist, any Foundation assets donated to Foundation for the benefit of University must be transferred to University or to another 501(c)(3) non-profit entity designated by University through its Board of Trustees.

2.11 University may from time to time make other requests of Foundation or seek other assistance from Foundation in accomplishing the mission of University, and Foundation agrees that it will not unreasonably deny any such requests or assistance.

ARTICLE 3. UNIVERSITY OBLIGATIONS AND OTHER IN-KIND SUPPORT

3.1 University grants Foundation a non-exclusive, non-transferable license to use University trademarks, service marks, and logos consistent with University policy and its agreement with any outside contractors pertaining to the licensing thereof, including but not limited to a license to use marks developed by University for use by Foundation.

3.2 University grants Foundation an exclusive, transferable license to use University trademarks, service marks, and logos historically associated with Foundation or developed by University or Foundation for Foundation's use.

3.3 University agrees to designate Foundation as an official affiliated entity of University.

3.4 University shall provide Foundation such other rights, privileges or benefits as it may under applicable law and as the University President, in the President's sole discretion, may determine will assist Foundation in discharging its obligations under this Agreement.

3.5 The University President shall be an ex-officio director on the Board of Foundation and President of Foundation, and shall be given reasonable notice of any meeting of the Board or Executive Committee.

3.6 Subject to the availability of funding and the budget process, University agrees to provide Foundation with resources suitable in University's judgment for the accomplishment of Foundation's activities for University's benefit, and may include services and supplies, staff

support, office space, and such financial support as agreed upon between the parties from time to time. The amount and nature of such resources shall be determined annually, on a fiscal year basis, in connection with the program planning and budget processes of University and Foundation. No provision in this Agreement shall be construed to give Foundation any legal entitlement to any University funding, personnel or other resources in any particular fiscal year. All University assets, including personal property, made available to Foundation under the terms of this Agreement shall remain the property of University unless sold, conveyed or transferred to Foundation by way of a separate written agreement.

3.7 The University President will encourage all parts of University to collaborate with Foundation in implementing Foundation's programs and services.

3.8 The University President agrees to inform Foundation on a regular basis of University's needs and priorities.

ARTICLE 4. COMPLIANCE

Foundation shall comply with any and all applicable federal, state, and local laws and regulations.

ARTICLE 5. INDEMNIFICATION

Foundation agrees to indemnify and hold harmless University, including its agents and employees from any and all claims, demands, suits or liabilities of any nature, or on account of any of the actions or inactions of Foundation. Foundation agrees to reimburse University and its agents and employees for any expenses incurred by them or as a result of legal action or inaction, including reasonable attorney fees, provided funds are available for such purpose.

ARTICLE 6. INSURANCE

Foundation agrees to carry insurance satisfactory to University through the appropriate and approved University liability trust fund or outside agency to cover directors' and officers' liability, special event liability, premises liability, and general liability.

ARTICLE 7. REPORTING

Foundation shall, within one hundred twenty (120) days following the close of its Fiscal Year, submit a detailed annual report of the work and financial condition of Foundation to the President of University, and any other reports as required by this Agreement, by the Bylaws of Foundation, or by applicable law.

ARTICLE 8. TERMINATION AND RENEWAL

8.1 This Agreement shall have a term of five years, if not renewed by mutual consent of the parties before that date.

8.2 This Agreement may be terminated for any reason by written approval and consent of University and Foundation upon ninety (90) days written notice.

8.3 Either party may terminate this Agreement for cause, including a breach of this Agreement, upon thirty (30) days written notice.

8.4 If this Agreement is terminated for any reason, including because the Agreement has expired without being renewed under Article 8.1, the following articles shall survive the termination: Articles 2.10, 5, 8 and 9.

8.5 The Foundation agrees to cease using the University's name, marks and logos in the event the Foundation dissolves, ceases to be a non-profit corporation, ceases to be recognized as a tax exempt entity under Section 501(c)(3) of the Internal Revenue Code, or this Agreement is terminated.

ARTICLE 9. MISCELLANEOUS PROVISIONS

9.1 This Agreement shall be construed, governed, interpreted and applied in accordance with the laws of the State of Alabama.

9.2 The parties agree that Foundation is not the agent or employee of University, and nothing in this Agreement creates an employment or other agency relationship between the parties. Foundation is not a subsidiary of University and is not directly or indirectly controlled by University.

9.3 University and the Foundation agree that Foundation's donor and giving records and any other financial or commercial information possessed by Foundation or provided by Foundation to University concerning individuals or corporations that provide Foundation financial support are confidential and proprietary. Unless required to disclose such information by applicable law, University and Foundation agree not to disclose to third parties and to keep confidential the giving records, giving history, and financial or commercial information of individuals and corporations that provide financial support to Foundation.

9.4 In the performance of this Agreement, Foundation shall not deny opportunities, employment or otherwise, to any person on the basis of race, color, religion, national origin, age, sex, sexual orientation, disability status, genetic information or veteran status.

9.5 The parties hereto acknowledge that this Agreement sets forth the entire Agreement and understanding of the parties hereto as to the subject matter hereof, and shall not be subject to any change or modification except by the execution of a written instrument subscribed to by the parties hereto.

9.6 The provisions of this Agreement are severable, and in the event that any provisions of this Agreement shall be determined to be invalid or non-enforceable under any

controlling body of the law, such invalidity or non-enforceability shall not in any way affect the validity or enforceable nature of the remaining provisions hereof.

9.7 The failure of either party to assert a right hereunder or to insist upon compliance with any term or condition of this Agreement shall not constitute a waiver of that right or excuse a similar subsequent failure to perform any such term or condition by the other party.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals and duly executed this Agreement the day and year set forth below.

University of South Alabama

University of South Alabama Foundation for
Research and Commercialization

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT I

**FORM OF TENTH SUPPLEMENTAL
UNIVERSITY FACILITIES REVENUE TRUST INDENTURE**

**TENTH SUPPLEMENTAL UNIVERSITY FACILITIES
REVENUE TRUST INDENTURE**

between

UNIVERSITY OF SOUTH ALABAMA

and

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

Dated March 14, 2014

TENTH SUPPLEMENTAL UNIVERSITY FACILITIES REVENUE TRUST INDENTURE 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").

RECITALS

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

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

(b) In Article VIII of the Indenture, the University has reserved the right to issue Additional Bonds, secured by a pledge of the Pledged Revenues on a parity with all Additional Bonds outstanding under the Indenture, including the Series 1999 Bonds, the Series 2004 Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2010 Bond, the Series 2012-A Bond, the Series 2012-B Bond, the Series 2013-A Bond, the Series 2013-B Bond and the Series 2013-C Bond (collectively, the "Outstanding Bonds"), and with such Additional Bonds as shall

hereafter be issued upon compliance with the applicable provisions of said Article VIII.

(c) The University has determined it is necessary, wise and in the best interest of the University and the public to redeem and retire those of the Series 2004 Bonds scheduled to mature in 2015 and thereafter (the "Called Series 2004 Bonds"), and has determined to obtain a loan from PNC Bank, National Association (the "Purchaser") in the amount of \$41,245,000 to pay the costs of redeeming and retiring the Called Series 2004 Bonds, and as evidence of the University's obligation to repay such loan, the University now desires to issue an Additional Bond in the principal amount of \$41,245,000.

(d) Upon the deposit by the University with the Trustee of funds sufficient to timely pay the redemption price of the Called Series 2004 Bonds, and the satisfaction of certain other conditions described in Section 14.1 of the Indenture (all of which the University intends to satisfy contemporaneously with the issuance of the Series 2014-A Bond), the Called Series 2004 Bonds will no longer be deemed outstanding under the Indenture.

(e) The University has duly adopted a resolution calling the Series 2004 Bonds for redemption and payment on April 16, 2014, and authorizing the issuance of such aforesaid Additional Bond, and this Tenth Supplemental University Facilities Revenue Trust Indenture is being executed in order to specify the details with respect to such Additional Bond.

(f) This Tenth Supplemental University Facilities Revenue Trust Indenture is being executed to provide for the issuance of the Series 2014-A Bond as an Additional Bond under the Indenture.

Additional Definitions

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

"Called Series 2004 Bonds" means those of the Series 2004 Bonds maturing in 2015 and thereafter.

"Interest Payment Date" means April 15, 2014, and the fifteenth day of each month thereafter while the Series 2014-A Bond is outstanding.

"LIBOR Base Rate" means the London Interbank Offered Rate for U.S. dollars for a term of 30 days which appears on Bloomberg Professional screen BBAM (or any generally recognized successor method or means of publication) as of 11:00 A.M., London time, one (1) London business day prior to the day on which the rate will become effective.

"Purchaser" means PNC Bank, National Association, the purchaser of the Series 2014-A Bond.

"Series 2004 Bonds" means the University's \$51,080,000 initial principal amount Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, dated March 15, 2004, presently outstanding in the aggregate principal amount of \$41,690,000.

"Series 2014-A Bond" means the \$41,245,000 University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014.

**NOW, THEREFORE, THIS TENTH SUPPLEMENTAL UNIVERSITY FACILITIES
REVENUE TRUST INDENTURE**

WITNESSETH:

It is hereby agreed among the University, the Trustee and its successors in trust under the Indenture and the holder at any time of the Series 2014-A Bond hereinafter referred to and the Outstanding Bonds each with each of the others, as follows:

**ARTICLE I
SERIES 2014-A BOND**

Section 1.1 Description of the Series 2014-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 Refunding Bond, Series 2014-A, dated March 14, 2014, in the principal amount of \$41,245,000. Principal installments of the Series 2014-A Bond shall mature and become payable on March 15 in the following years and amounts:

Year	Maturing Principal Installment
2015	\$ 470,000
2016	490,000
2017	615,000
2018	640,000
2019	665,000
2020	6,925,000
2021	7,280,000
2022	7,655,000
2023	8,050,000
2024	8,455,000

The Series 2014-A Bond shall bear interest from its March 14, 2014 date at a rate subject to change from time to time based on changes in an independent index, which is the LIBOR Base Rate (the "Index"). The Index is not necessarily the lowest rate charged by the Purchaser on its loans or bonds purchased by the Purchaser. If the Index becomes unavailable during the term of the Series 2014-A Bond, the Purchaser will designate a substitute Index (as further described in this paragraph below) after providing reasonable written notice of the same to the University and

the Trustee. The Purchaser will promptly notify the University and the Trustee in writing of the current Index rate upon each determination thereof. The rate will initially become effective on March 14, 2014 (the date of the Series 2014-A Bond as shown on the face thereof). Thereafter, the rate will change weekly on each Thursday (each a "Reset Date"), as described below. If for any reason the London Interbank Offer Rate is not available, the "LIBOR Base Rate" shall mean the rate per annum which banks charge each other in a market comparable to England's Eurodollar market on short-term money in U.S. dollars for an amount substantially equivalent to the principal amount due under the Series 2014-A Bond, as determined at 11:00 A.M., London time, one (1) London business day prior to the day on which the rate will become effective. The Purchaser's determination of such interest rate shall be conclusive, absent manifest error. The University understands that the Purchaser may make loans or acquire bonds based on other rates as well.

Interest on the unpaid principal balance of the Series 2014-A Bond will be calculated using a rate of sixty-eight percent (68%) of the Index on each Reset Date plus 73 basis points (0.73%) (the "Weekly Interest Rate"), and will be calculated using the weighted average of the Weekly Interest Rates from, and including, the next preceding Interest Payment Date (defined below) to, but excluding, the applicable Interest Payment Date. Interest shall be computed on the basis of a 365- or 366-day year, as applicable, based on the actual number of days elapsed, and shall be payable in arrears on April 15, 2014, and on each Interest Payment Date thereafter until the Series 2014-A Bond shall have been fully paid.

(b) **Interest Payment Dates.** 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.

Section 1.2 Optional Redemption. The University shall have the right to redeem and retire the Series 2014-A Bond, in whole or in part (but, if in part, in multiples of \$5,000 with those installments of principal to be redeemed to be selected by the University at its discretion) without penalty or premium at anytime and from time to time upon not less than 10 days' prior written notice to the holder of the Series 2014-A Bond (with a copy to the Trustee), at and for a price equal to 100% of the principal of the Series 2014-A Bond to be redeemed plus accrued interest to the date set for redemption.

Section 1.3 Method of Payment; Final Payment; Other. Principal installments of the Series 2014-A Bond shall be payable when due at the designated corporate trust office of the Trustee in the City of Birmingham, Alabama. Interest on the Series 2014-A Bond shall be payable by check or draft mailed or otherwise delivered by the Trustee to the Purchaser at its address as it appears on the registry books of the Trustee pertaining to the registration of the Series 2014-A Bond; provided, that the final payment of such principal and interest that is due on March 15, 2024, shall be made only upon surrender of the Series 2014-A Bond to the Trustee. All installments of principal of and interest on the Series 2014-A Bond shall bear interest after the respective maturities of such principal and interest until paid or until moneys sufficient for payment thereof shall have been deposited for that purpose with the Trustee, whichever first occurs, at the rate of interest borne by the Series 2014-A Bond.

Section 1.4 Form of Series 2014-A Bond. The Series 2014-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 2014-A BOND MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" 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 Refunding Bond
Series 2014-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 **PNC BANK, NATIONAL ASSOCIATION** (the "Purchaser"), the principal sum of **FORTY ONE MILLION TWO HUNDRED FORTY FIVE THOUSAND DOLLARS (\$41,245,000)**, in annual installments at the times, in the amounts and as set forth below.

Principal installments hereof shall mature and become payable on March 15 in the following years and amounts:

Year	Maturing Principal Installment
2015	\$ 470,000
2016	490,000
2017	615,000
2018	640,000
2019	665,000
2020	6,925,000
2021	7,280,000
2022	7,655,000
2023	8,050,000
2024	8,455,000

This bond shall bear interest from its March 14, 2014, date at a rate subject to change from time to time based on changes in an independent index, which is the LIBOR Base Rate (the "Index"). The Index is not necessarily the lowest rate charged by the Purchaser on its loans or bonds purchased by the Purchaser. If the Index becomes unavailable during the term of this bond, the Purchaser will designate a substitute Index (as further described in this paragraph below) after providing reasonable written notice of the same to the University and the Trustee (hereinafter described). The Purchaser will promptly notify the University and the Trustee in writing of the current Index rate upon each determination thereof. The rate will initially become effective on March 14, 2014 (the date of this bond). Thereafter, the rate will change weekly on each Thursday (each a "Reset Date"), as described below. If for any reason the London Interbank Offer Rate is not available, the "LIBOR Base Rate" shall mean the rate per annum which banks charge each other in a market comparable to England's Eurodollar market on short-term money in U.S. dollars for an amount substantially equivalent to the principal amount due under this bond, as determined at 11:00 A.M., London time, one (1) London business day prior to the day on which the rate will become effective. The Purchaser's determination of such interest rate shall be conclusive, absent manifest error. The University understands that the Purchaser may make loans or acquire bonds based on other rates as well.

Interest on the unpaid principal balance of this bond will be calculated using a rate of sixty-eight percent (68%) of the Index on each Reset Date plus 73 basis points (0.73%) (the "Weekly Interest Rate"), and will be calculated using the weighted average of the Weekly Interest Rates from, and including, the next preceding Interest Payment Date (defined below) to, but excluding, the applicable Interest Payment Date.

Interest shall be computed on the basis of a 365- or 366-day year, as applicable, based on the actual number of days elapsed, and shall be payable in arrears on April 15, 2014, and monthly thereafter, on the 15th day of each month while this bond is outstanding (each such date, an "Interest Payment Date") until this bond shall have been fully paid; provided, however, the final payment of principal and interest on this bond due March 15, 2024, shall be made only upon surrender of this bond to the University.

As used herein, "LIBOR Base Rate" means the London Interbank Offer Rate for U.S. dollars for a term of 30 days which appears on Bloomberg Professional screen BBAM (or any generally recognized successor method or means of publication) as of 11:00 A.M., London time, one (1) London business day prior to the day on which the rate will become effective.

Principal and interest on this bond are payable by check or draft mailed by the Trustee to the Purchaser on the applicable Interest Payment Date and at the address of the Purchaser shown on the registry books of the Trustee pertaining to this bond as of the close of business on the first day of the month 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 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 Purchaser at the address for the Purchaser 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 Refunding Bond, Series 2014-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 a Tenth Supplemental University Facilities Revenue Trust Indenture dated March 14, 2014 (the said Trust Indenture, as so supplemented and amended, being herein called the "Indenture"), between the University and The Bank of New York Mellon Trust Company, N.A. (herein called the "Trustee"). The principal of and the interest on this bond are payable solely out of and are secured by a lien upon and pledge of (a) certain fees from students levied by the University, (b) the gross revenues derived from certain auxiliary enterprises services furnished by the University, including, food services, housing, college stores, dining, concessions and other similar services, as such revenues are shown as a separate item on the audited financial statements of the University, and (c) an amount not exceeding \$10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children's and Women's Hospital (herein called the "Pledged Revenues"), and shall not be payable from any other funds or revenues, on a parity of lien with (1) the University's (a) \$40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999, (b) \$100,000,000 original principal amount University Tuition Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006, (c) \$112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008, (d) \$29,750,000 University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010, (e) \$25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012, (f) \$7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012, (g) \$32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013, (h) \$8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013, and (i) \$10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013; and (2) 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 Purchaser 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, as a whole or in part without penalty or premium, at any time and from time to time (but, if in part, in multiples of \$5,000 with those installments of principal to be redeemed to be selected by the University at its discretion), 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 Acting 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 March 14, 2014.

UNIVERSITY OF SOUTH ALABAMA

By: _____
Acting 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.,
Trustee**

By: _____
Its Authorized Officer

Section 1.5 Execution and Delivery of the Series 2014-A Bond. The Series 2014-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 or Acting President, as the case may be, requesting such authentication and delivery and designating the person or persons to receive the same or any part thereof.

Section 1.6 Application of Proceeds from the Sale of the Series 2014-A Bond. The University shall cause the entire proceeds from the sale of the Series 2014-A Bond to be deposited into a special fund or account established with the Purchaser (the "2014-A Bond Proceeds Account"). The University shall remit all amounts on deposit in the 2014-A Bond

Proceeds Account, together with other funds of the University provided for such purpose, to the Trustee for deposit into the Bond Fund under the Indenture to be used by the Trustee to pay the redemption price of the Called Series 2004 Bonds on April 16, 2014.

ARTICLE II CONCERNING THE CODE

Section 2.1 Concerning the Code. (a) General. The University recognizes that the Code imposes certain conditions to the exemption from federal income taxation of interest income on the Series 2014-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 2014-A Bond. With respect to any question arising under this Section 2.1, the University may rely upon an opinion of nationally recognized bond counsel acceptable to it.

(b) **Series 2014-A Bond not to be "Private Activity Bond".** The University will not apply the proceeds of the Series 2014-A Bond in any manner that would cause the Series 2014-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 2014-A Bond being considered an "arbitrage bond" within the meaning of Section 148 of the Code.

(d) **Provisions Respecting Registration of Series 2014-A Bond to Comply with Provisions of Code.** The University and the Trustee recognize that the provisions of the Code require that the Series 2014-A Bond be in "registered form" and that, in general, the Series 2014-A Bond must be registered as to both principal and interest and any transfer of the Series 2014-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 2014-A Bond.

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 2014-A Bond 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 Tenth Supplemental University Facilities Revenue Trust Indenture. No provisions of this Tenth 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 Tenth 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 Purchaser as holder of the Series 2014-A Bond.

Section 3.4 Authorized Denominations. The Series 2014-A Bond may have principal installments maturing in denominations of any amount.

Section 3.5 Special Covenants in Favor of Purchaser. (a) So long as the Series 2014-A Bond remains outstanding, the University shall provide the Purchaser the following:

(i) Audited financial statements of the University within 150 days following the close of each fiscal year of the University, commencing with the fiscal year ending September 30, 2014;

(ii) quarterly financial statements of the University within 90 days following the close of each fiscal quarter of the University, commencing with the fiscal quarter ending June 30, 2014; and

(iii) the annual budget for the University by October 31 of each year, commencing October 31, 2014.

Section 3.6 Communications. The University hereby authorizes and consents to communications by the Purchaser with the Trustee with regard to the Series 2014-A Bond, including, without limitation, notices of amounts due, interest rate computations and interest amounts.

Section 3.7 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.

IN WITNESS WHEREOF, the University has caused this Tenth Supplemental University Facilities Revenue Trust Indenture to be executed in its name and behalf by the Acting President of the University, has caused its corporate seal to be hereunto affixed, and has caused this Tenth Supplemental University Facilities Revenue Trust Indenture to be attested by the Secretary of its Board of Trustees, and the Trustee has caused this Tenth Supplemental University Facilities Revenue Trust Indenture to be executed in its name and behalf, has caused its corporate seal to be hereunto affixed and has caused this Tenth Supplemental University Facilities Revenue Trust Indenture to be attested, all by its duly authorized officers, and the University and the Trustee have caused this Tenth Supplemental University Facilities Revenue Trust Indenture to be so executed in several counterparts, each of which shall be deemed an original, and have caused this Tenth Supplemental University Facilities Revenue Trust Indenture to be dated March 14, 2014.

UNIVERSITY OF SOUTH ALABAMA

By: _____
Acting President

[SEAL]

Attest:

Secretary of the Board of Trustees

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

By: _____

Its: _____

[SEAL]

Attest:

Its: _____

STATE OF ALABAMA)
 :
COUNTY OF MOBILE)

I, _____, a Notary Public in and for said county in said state, hereby certify that Dr. John W. Smith, whose name as the Acting 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 14th day of March, 2014.

Notary Public

[NOTARIAL SEAL]

STATE OF ALABAMA)
 :
COUNTY OF MOBILE)

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 14th day of March, 2014.

Notary Public

[NOTARIAL SEAL]

AMENDED BYLAWS
OF
JAGUAR ATHLETIC FUND, INC.

The undersigned President and Secretary of the Jaguar Athletic Fund, Inc., following an affirmative vote thereon by the Board of Directors of the Corporation in accordance with the power vested in the Board of Directors by the Articles of Incorporation of the Corporation, do hereby set forth the following for and as the Amended Bylaws of said Corporation:

ARTICLE I

Registered Agent and Registered Office

Section 1. The Corporation shall at all times maintain a registered office in the State of Alabama, which office may be, but need not be, the same as its principal office. The Corporation shall also at all times maintain a registered agent, who may be either an individual resident of Alabama whose business office is identical to the registered office or a domestic or foreign profit or nonprofit corporation having an office identical to the registered office.

ARTICLE II

Purposes

Section 1. The purposes of this Corporation are as follows: to provide support for the athletic programs of the University of South Alabama so as to assist in the physical development and betterment of the student-athletes at the University of South Alabama, and to support and further the educational functions of the University of South Alabama, particularly the athletic endeavors.

ARTICLE III

Members

Section 1. Members. Any person who makes an annual contribution to the Jaguar Athletic Fund is a member for the particular year in which the contribution is made. A married couple shall constitute a single membership unless the couple makes individual gifts and desires those gifts to make them individual members.

Section 2. Transfer of Membership. Membership or any interest in this Corporation shall not be assignable inter vivos by any member nor shall membership or any interest in this Corporation pass to any personal representative, heir, or devisee of any deceased member.

Section 3. Termination of Membership. Membership may be terminated as follows:

- a. By resignation of the member.
- b. Failure to make an annual gift.

ARTICLE IV

Meetings of the Board of Directors

Section 1. Annual Board Meeting. The annual meeting of the Board of Directors of the Corporation shall be held in the month of September, at such date, place, and time as shall be designated by the Board of Directors for the purpose of electing directors and for the transaction of such other business as may properly be brought before the meeting.

Section 2. Regular Board Meetings. The Board of Directors will adopt an annual schedule of regular meetings to be posted on the University's website. These notices will include time, date and place of each meeting. The Board of Directors may provide by resolution the time and place, either within or without the State of Alabama, for the holding of additional regular meetings.

Section 3. Special Board Meetings. Special meetings of the Board of Directors may be called by the President of the Corporation, by the University President, Director of Athletics, or the Vice President of Development and Alumni Relations, or by a majority of the Board of Directors.

Section 4. Place of Meetings. The Board of Directors may designate any place, either within or without the State of Alabama, as the place of meeting for any regular or special meeting of the Board of Directors. Members of the Board of Directors may participate in a meeting of such Board by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at a meeting.

Section 5. Notice. Written notice of any special meeting stating the place, date, and hour of the meeting shall be given at least three (3) business days previously thereto by notice delivered personally, by email or mailed by U.S. Postal Service to each Director at his stated, preferred mailing address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board of Directors need be specified in the notice or waiver of notice of such meeting.

Section 6. Quorum. Fifty percent (50%) of the Directors plus one Director shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The

Directors at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Directors to leave less than a quorum or the refusal of any Director present to vote.

Section 7. Manner of Acting. An act of the majority of the Directors present at a meeting at which a quorum is present shall be an act of the Board of Directors.

Section 8. Action Without a Meeting. Any action that may be taken by the Board of Directors at a meeting may be taken without a meeting if consent in writing, setting forth the action so to be taken, shall be signed by all of the Directors.

Section 9. Conduct of Meetings. Meetings of the Board of Directors shall be presided over by the President of the Corporation, or, if he/she is not present, by the Vice President of the Corporation, or, if he/she is not present, by a chairman to be chosen at the meeting. The Secretary of the Corporation shall act as secretary of the meeting or, in his/her absence, a person chosen at the meeting. Business will be conducted by Robert's Rules of Order.

Section 10. Proxies. Proxies will be accepted if signed by the members of the Board and received by the Board prior to the transaction of business.

Section 11. Election of Directors. New Directors of the Board will be elected at the annual meeting.

ARTICLE V

Directors

Section 1. Number, Qualification, and Term of Office. The Board of Directors will be composed of individuals who are interested and committed to helping raise gift funds for USA Athletics. The Board of Directors will include the University of South Alabama Director of Athletics or a designee, the University of South Alabama President or a designee, the University of South Alabama Vice President for Financial Affairs or a designee, the University of South Alabama Vice President for Development and Alumni Relations or a designee, the Executive Director of the Corporation or a designee, and twenty-six (26) other persons as follows: three (3) individuals representing each revenue sport (men's basketball, men's baseball, men's football, women's basketball, and women's softball) one (1) individual representing each non-revenue sport (men's track, men's golf, men's tennis, women's volleyball, women's soccer, women's track, women's golf, and women's tennis), and three (3) at-large members who do not represent any designated sport. These Directors will serve staggered three year terms, which may be renewed for one additional term, unless otherwise extended by majority vote of the Board of Directors. Directors shall hold office until their successors have been duly elected and qualified or until their deaths or until they resign or shall have been removed from office in the manner provided in these Bylaws. The total composition of the Board of Directors must be fewer USA members (members who are employees of USA or any of its affiliated entities, or members of the USA Board of Trustees) than non-USA members. These Directors will interact with the administration, staff and coaches to help develop financial goals for each specific sport within

the annual fund. If additional revenue or non-revenue sports are added to the University's program, the number of members of the Board of Directors will be increased according to the numbers as set out above, i.e., three from each additional revenue sports and one from each additional non-revenue sports.

Section 2. Nomination of Directors. The Nominating Committee shall consist of the USA President or his/her designee, USA Vice President for Financial Affairs or his/her designee, USA Vice President for Development and Alumni Relations, Executive Director of the Corporation, the Athletic Director of USA (if the Athletic Director is not also the Executive Director of the Corporation), President of the Corporation, Vice President of the Corporation, and Secretary of the Corporation. This committee shall nominate persons to serve as Directors and Officers of the Corporation. Members of the Corporation may also provide names for consideration by the Nominating Committee. The slate of Officers and Directors shall be presented to the University Board of Trustees for approval. In its discretion, the Nominating Committee may leave unfilled a vacancy for any period of time.

Section 3. Resignation/Removal. Any Director may resign at any time by giving written notice to the President or Secretary of the Corporation. Such resignation shall take effect on the earlier of the date specified therein, which shall be at least fifteen (15) business days after notice of such resignation is delivered, either personally or by mail, to the President or Secretary of the Corporation or the date on which the resignation is accepted by the affirmative vote of a majority of the Directors. If no time is specified in the notice of resignation, it shall take effect fifteen (15) business days after the date of delivery of the notice, or the date on which the resignation is accepted by the affirmative vote of a majority of the Directors, whichever is earlier. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, properly addressed to the President or Secretary or the Corporation at the principal office address of the Corporation, with postage thereon prepaid. The acceptance of a resignation shall not be necessary to make it effective unless otherwise specified in the notice of resignation. A Director may be removed at any time with or without cause by a majority vote of the Board of Trustees of the University, acting in its sole and absolute discretion.

Section 4. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting, or unless he/she shall file his/her written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered or certified mail or personal delivery to the Secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 5. Reliance Upon Reports and Records. A Director shall, in the performance of his/her duties, be fully protected in relying upon information, opinions, reports or statements, including financial statements and other financial data, in each case prepared or presented by the University of South Alabama or any department thereof, the Corporation or the Corporation's auditors.

ARTICLE VI

Officers

Section 1. Number. The officers of the Corporation shall be a President, Vice President, Secretary, and Treasurer, all of whom shall be elected by the Board of Directors. Additional officers as may be deemed necessary may be elected or appointed by the Board of Directors.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held pursuant to Article IV, Section 1, of these Bylaws. Such officers shall hold office at the pleasure of the Board of Directors and until their successors are elected and qualified. In its discretion, the Board of Directors by a vote of a majority thereof may leave unfilled for such period as it may fix by resolution any offices except those of President and Secretary.

Section 3. Vacancies and Removal. Vacancies in any office arising from any cause, other than routine term expiration, may be filled by the Board of Directors at any regular or special meeting. An officer may be removed, with or without cause, at any time by an affirmative vote of a majority of the Board of Trustees of the University.

Section 4. President. The President shall be the principal executive officer of the Corporation and shall have in his/her charge the general direction and promotion of its affairs with authority to do such acts and to make such contracts as are necessary or proper to carry on the business of the Corporation. He/she shall preside over all official meetings of the Corporation under the laws of the State of Alabama. The President may, during the absence of any officer, delegate said officer's duties to any other officer or Director.

Section 5. Vice President. The Vice President, in the absence or disability of the President, shall perform the duties of the President and shall perform such other duties as may be delegated to him/her from time to time by the Board of Directors or by the President.

Section 6. Secretary. The Secretary shall issue notices of all meetings of the Board of Directors, shall keep the minutes of all such meetings, shall have charge of the seal of the Corporation, shall serve as custodian for all corporate records, and shall make such reports and perform such duties as are incident to his/her office or which may be delegated to him/her by the President of the Board of Directors.

Section 7. Treasurer. The Treasurer shall render to the President and Board of Directors at such times as may be requested an account of all transactions as Treasurer and of the financial condition of the Corporation. The Treasurer shall perform such other duties as are incident to the office or as may be delegated to that office by the President or by the Board of Directors.

Section 8. Executive Director. The Executive Director shall be an employee of the University of South Alabama and appointed by the Director of Athletics, and is responsible for day to day operations of the Jaguar Athletic Fund, Inc. The Director of Athletics may appoint him/herself as Executive Director.

ARTICLE VII

Miscellaneous

Section 1. Annual Comprehensive Fundraising Goal. Each year, at a time designated by the Director of Athletics and the Vice President of Development & Alumni Relations, a comprehensive goal will be established for each sport, and when combined for the entire department, will become that year's annual fund goal.

Section 2. Contracts. The Board of Directors may authorize the Executive Director to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of the Corporation shall be signed by the Executive Director of the Corporation (or a person designated by the Director of Athletics for the University of South Alabama). Any such check, draft or other order exceeding \$2,000.00 in amount shall also be signed by such officer or officers of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or University of South Alabama accounts as the Board of Directors may select.

Section 5. Operations and Procedures. All operations and expenditures shall be made in accordance with and in conformity with the rules and regulations of the National Collegiate Athletic Association and the University of South Alabama and any related athletic conference or league. The Jaguar Athletic Fund Board will adopt annually a plan to include a comprehensive fund-raising goal. All proposed expenditures of the Corporation shall be subject to approval by the Director of Athletics for the University of South Alabama or his/her designee.

Section 6. Amendment of Bylaws. The Bylaws of the Corporation may be amended by a majority vote of the Board of Directors which is ratified by the Board of Trustees of USA.

Section 7. Conflict. Wherever these Bylaws and the Articles of Incorporation shall be in conflict, the provisions of the Articles of Incorporation shall control.

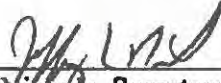
Section 8. Committees. The Board of Directors may create any temporary or permanent committees as deemed necessary to the performance of the organization.

Section 9. Volunteer Directors. All Directors serve as volunteers and are not entitled to compensation for this service.

EXECUTED for the corporation, this 23rd day of January 2014.



James H. "Jimmy" Shumock, President
University of South Alabama Jaguar Athletic Fund



Jeff Nichols, Secretary
University of South Alabama Jaguar Athletic Fund