

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

MINUTES

MARCH 3, 2016

HEALTH AFFAIRS COMMITTEE

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

BUDGET AND FINANCE COMMITTEE

AUDIT COMMITTEE

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

MARCH 4, 2016

BOARD OF TRUSTEES

- 1 Approve: Minutes
- 2 Report: President's Report

CONSENT AGENDA

- 3 Approve: USA Hospitals Credentials – November and December 2015, and January 2016
- 7 Approve: Honorary Doctorate Degree
- 15 Approve: Purchase of Property Adjacent to 26 Oakland Avenue
- 19 Approve: Revision of the Non-Endowment Cash Pool Investment Policy
- 23 Approve: Appreciation of the Upward & Onward Campaign Committee

HEALTH AFFAIRS COMMITTEE

- Report: Steve Stokes, Chair
- 4 Approve: Declaration of Agreement for a Cancer Consortium between The University of Alabama at Birmingham and the University of South Alabama

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

- Report: Bettye Maye, Chair
- 9 Report: Academic Affairs

BUDGET AND FINANCE COMMITTEE

- Report: Tom Corcoran, Chair
- 13 Approve: Allocation of Land for Construction of a University Alumni Center
- 14 Approve: Health System Line of Credit

AUDIT COMMITTEE

- Report: Scott Charlton on behalf of John Peek, Chair

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

- Report: Jim Yance, Chair

SPECIAL ACKNOWLEDGMENT

- 5 Approve: Naming of Children's and Women's Hospital Operating Room
- 16 Approve: Naming of Office and Clinic Building
- 8 Approve: Commendation of Dr. J. Allan Tucker
- 21 Approve: Commendation of Vincent Kilborn
- 22 Approve: Commendation of Audrey and Joseph Shewmake

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

**March 4, 2016
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 4, 2016, at 10:30 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Scott Charlton, Tom Corcoran, Steve Furr, Ron Jenkins, Bettye Maye, Arlene Mitchell, Bryant Mixon, Jimmy Shumock, Ken Simon, Sandy Stimpson, Steve Stokes, Mike Windom and Jim Yance.

Members Absent: Robert Bentley, Chandra Brown Stewart and John Peek.

Administration and Others: Beth Anderson, Owen Bailey, Gary Branch (Faulkner State), Joe Busta, Chris Buchanan, Lynne Chronister, Kristin Dukes, Joel Erdmann, Monica Ezell, Mike Finan, Margie and Josh Friedman, Happy Fulford, Charlie Guest, Mike Haskins, Dave Johnson, Melva Jones, Andi Kent, Vince Kilborn, Abe Mitchell, Ravi Rajendra (SGA), Justin Sanders, Jeb Shell (NAA), Audrey and Joe Shewmake, John Smith, Sam Strada, Elizabeth Terry, William Terry, Tony Waldrop, Scott Weldon, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Bria Johnson (*Vanguard*).

The meeting was called to order and the attendance roll was called. Chairman Furr welcomed Trustees and guests, and called for adoption of the revised agenda. On motion by Mr. Yance, seconded by Mr. Shumock, the revised agenda was adopted unanimously. Dr. Furr called for consideration of **ITEM 1**, the minutes of the Board of Trustees meeting held on December 4, 2015, as well as the minutes of a Long-Range Planning Committee meeting held on December 3, 2015. On motion by Ms. Mitchell, seconded by Ms. Maye, the minutes were approved unanimously.

Chairman Furr called for presentation of **ITEM 2**, the President's Report. President Waldrop recognized Honorary Trustee Mr. Abe Mitchell. He discussed the Distinguished Alumni and Service Awards gala held on March 3. A photo was shown of the award recipients and Mr. Shumock was congratulated for being honored.

President Waldrop called upon Dr. Johnson, who gave an overview of the new *Pathway USA* program and partnerships with Faulkner State Community College and Bishop State Community College. Pathway USA will provide advice and incentives for students interested in transferring to USA once they attain an associate's degree. Dr. Johnson introduced Faulkner State Community College President Gary Branch, who conveyed enthusiasm for the collaboration and shared historical perspective on Faulkner State, as well as plans for expansion. Judge Simon

asked if the project would have a positive impact on USA's objective for improving retention. Dr. Johnson concurred. Mr. Yance added the program should strengthen growth. Dr. Johnson agreed that the yield of transfers from these community colleges should increase.

President Waldrop gave an update on USA's strategic planning process. He said a President's Leadership Team has worked to develop metrics for determining the effectiveness of the institutional objectives. He stated an update will be provided to the Board in June.

President Waldrop introduced and shared biographical information on USA's first Director of University Special Events Ms. Melva Jones. President Waldrop said the position will facilitate centralized coordination of events. Ms. Jones made brief remarks, noting it an honor to join the University of South Alabama.

President Waldrop called on Mr. Bailey, who introduced Ms. Margie Friedman, a nurse at the Hollis J. Wiseman Neonatal Intensive Care Unit (NICU) at Children's & Women's Hospital (CWH). Mr. Bailey advised Ms. Friedman had been named a Ronald McDonald House Charities *Local Hero*, one of 24 individuals selected nationwide for making a difference in the community. Also introduced was Ms. Friedman's husband, Josh. Ms. Friedman said her son's experience as a CWH patient in the NICU inspired her to enroll in USA's nursing program. Ms. Friedman also participated in the campaign that raised money for renovation of the NICU. Ms. Mitchell attested that Ms. Friedman was her inspiration for volunteering to rock babies at the NICU.

President Waldrop called for remarks from Faculty Senate President Dr. Kevin West. Dr. West addressed the state of higher education, comparing the turbulent environments being reported at other institutions to the positive campus culture at USA. He said several factors, such as enrollment and faculty applicant pool increases and open dialogue with Trustees, have helped to replace faculty concerns with feelings of optimism. He said intentional efforts to improve relationships has led to program success and growth. He encouraged Board members to continue to build constituent rapport and to be attentive to media reports on higher education. Chairman Furr and President Waldrop joined Dr. West to present a certificate of appreciation recognizing his efforts as Faculty Senate President for 2015-2016.

President Waldrop called for remarks from Mr. Ravi Rajendra, Student Government Association (SGA) President. Mr. Rajendra discussed continuing efforts to "build a better South" through student engagement projects. He said more students are buying into initiatives designed to address concerns and stimulate involvement, such as *Parking Ticket Forgiveness Day* scheduled for March 10, whereby unpaid parking violations will be waived for food donations; implementation of a pop-up bookstore in Greensboro, Alabama, stocked with SGA book drive collections; and the *Battle for the Belt* campaign designed to increase excitement for the USA vs. Troy football rivalry. He thanked Board members for their support of the SGA. Chairman Furr

and President Waldrop recognized Mr. Rajendra with a certificate of appreciation for his service as SGA President for 2015-2016.

President Waldrop welcomed Mr. Jeb Shell, President of the USA National Alumni Association.

President Waldrop gave an update on the search to fill the position of Vice President for Medical Affairs/Dean of the College of Medicine. He said three outstanding candidates visited campus recently for interviews and evaluations are progressing.

President Waldrop called on Dr. Johnson for an update on the dean search for the Pat Capps Covey College of Allied Health Professions. Dr. Johnson said, following the visits of five candidates to campus, the position was offered to and accepted by Dr. Gregory Frazer, Dean of the Rangos School of Health Sciences at Duquesne University in Pittsburgh. He said Dr. Frazer's employment would become effective on August 1.

Dr. Johnson recognized Dr. Andi Kent for her appointment as Dean of the College of Education. He shared highlights on Dr. Kent's background, including close ties with the Mobile County Public School System, with which USA has a strong partnership.

Dr. Johnson recognized Dr. Charlie Guest, Associate Vice President for Academic Affairs, for his appointment as Interim Dean of the School of Continuing Education and Special Programs. Dr. Guest also serves as USA's liaison to the Southern Association on Colleges and Schools (SACS).

President Waldrop called on Ms. Chronister for a report on the visit to campus by the U. S. Assistant Secretary of Commerce Mr. Jay Williams. She said Secretary Williams, who serves a dual role as chief administrator for the U. S. Economic Development Administration, described Mobile's manufacturing community partnership as outstanding. Mayor Stimpson agreed that the visit was engaging, as well as an indication of the great things happening in Mobile.

President Waldrop called on Mr. Fulford, who reported on the Higher Education Day rally held in Montgomery on February 25. He stated South Alabama had the largest representation of students, faculty and staff in attendance, and he thanked Mr. Windom for representing the Board of Trustees. He said three Alabama senators who are USA alumni met with the group. He gave an update on the budget process. He stated the University's funding request, which is based on USA's enrollment growth that is second in the state, was recognized in the budget expected to pass the Senate soon. He added that Alabama legislators who visit the University of South Alabama Health System are impressed by its employees.

President Waldrop called on Mr. Haskins for a report on USA's branding process. Mr. Haskins gave an overview on progress by a team of 40 individuals charged with developing a branding process. He said work was nearing completion and a formal launch is planned for March 23. He

shared excitement for the accomplishment, which was completed in a short time, and stated guidelines and training would assure consistency and quality. Artwork depicting new marketing themes was shown, as was a brief promotional video featuring "South Stories" told by USA students and employees, which will air on social media outlets. Other branding strategies include public banner displays, iHeart Radio ads, and use of brand ambassadors throughout campus and in the greater community to introduce the new face of USA. The importance of continuing the momentum of Mitchell-Moulton Scholarship Initiative promotions was asserted. As to a question about the value of television commercials, Mr. Haskins said data indicates that, to best reach USA's target audience, on-line advertisements will be most effective and give the greatest return for the money spent. President Waldrop said he was honored to work with the branding team.

Chairman Furr announced that officer terms would end in June and he appointed Ms. Maye, Capt. Jenkins and Mr. Yance to serve with him on a Nominating Committee. He said officer elections would take place at the June 3 Annual Meeting, and noted terms would take effect immediately as per previous bylaws revisions.

Chairman Furr addressed consent agenda **ITEMS 3, 7, 15, 19 and 23** as follows, respectively, noting all had received the Committees' unanimous recommendations for approval by the Board of Trustees at meetings held on March 3 (for copies of policies and other authorized documents, refer to **APPENDIX A**). He called for a vote and the resolutions were approved unanimously:

**RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR NOVEMBER AND DECEMBER, 2015, AND JANUARY 2016**

WHEREAS, the Medical Staff appointments and reappointments for November and December, 2015, and January 2016 for the University of South Alabama Hospitals are recommended for Board approval by the Medical Executive Committees and the Executive Committee of the University of South Alabama Hospitals,

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

**RESOLUTION
HONORARY DOCTORATE DEGREE FOR CYNTHIA TUCKER HAYNES**

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

WHEREAS, Cynthia Tucker Haynes is a native of the state of Alabama and grew up attending schools in Monroe County during the time Alabama and its school systems were emerging from decades of segregation, and

WHEREAS, Ms. Haynes had a distinguished career as a journalist and columnist for the *Atlanta Journal-Constitution* for more than 20 years, and

WHEREAS, Ms. Haynes was awarded a highly competitive Neiman fellowship from Harvard University in 1988, and

WHEREAS, Ms. Haynes has achieved extraordinary distinction in her journalism career as the first woman and the first African-American to hold the position of editorial page editor of the *Atlanta Journal-Constitution*, and

WHEREAS, Ms. Haynes was a syndicated news columnist focusing on issues such as civil rights and the war in Iraq in her column "As I See It," which was published in more than 70 newspapers, and

WHEREAS, in 2007, Ms. Haynes won the Pulitzer Prize for Commentary for her work in 2006 on such columns as "Living Proof of Immigration's Marvelousness" and "Poor Little Big Man's Pity Party," and

WHEREAS, Ms. Haynes was named Journalist of the Year by the National Association of Black Journalists in 2006, was included in Essence magazine's "25 Most Influential of 2007" list, and has received numerous awards for her work, including the Distinguished Writing Award by the American Society of Newspaper Editors, the top newspaper columnist award by the Women's Political Caucus, and Colby College's Elijah Parish Lovejoy Journalism Award,

THEREFORE, BE IT RESOLVED, for her dedication and for her many contributions to the field of journalism, the Board of Trustees of the University of South Alabama is proud to bestow upon Cynthia Tucker Haynes the degree of Doctor of Humane Letters (L.H.D.), *honoris causa*.

**RESOLUTION
PURCHASE OF PROPERTY ADJACENT TO 26 OAKLAND AVENUE**

WHEREAS, the Executive Committee of the Board of Trustees approved the purchase of the President's home located at 26 Oakland Avenue at its meeting on May 9, 2014, and

WHEREAS, an opportunity has been presented to purchase the lot adjacent to 26 Oakland Avenue (east on Bexley Lane), and

WHEREAS, the property would be used for much needed additional parking for official University events at 26 Oakland Avenue, and

WHEREAS, the University offered to purchase the property at a price of \$185,000, which represents the estimated fair market value of the property, and the University's offer has been accepted by the seller, and

WHEREAS, the survey of the property remains outstanding as do closing requirements, such as the provision of a title insurance policy,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees authorizes the purchase of land located adjacent to 26 Oakland Avenue for the price of \$185,000 and hereby delegates the authority to finalize the purchase of property for that amount to the Executive Vice President and the Vice President for Finance and Administration pending acceptance of the survey and compliance by the seller with any outstanding requirements of the Purchase Contract.

**RESOLUTION
REVISION OF THE NON-ENDOWMENT
CASH POOL INVESTMENT POLICY**

WHEREAS, the University of South Alabama Board of Trustees has established the Non-Endowment Cash Pool Investment Policy to provide investment guidelines when managing the University's operating cash, and

WHEREAS, the Board of Trustees delegates certain investment authority to the Development, Endowment and Investments Committee to manage the University's non-endowment cash investments, and

WHEREAS, the Development, Endowment and Investments Committee invests the University's non-endowment funds according to the investment policy guidelines approved by the Board of Trustees, and

WHEREAS, said guidelines may be amended from time to time to meet current investment conditions and objectives, and

WHEREAS, the Development, Endowment and Investments Committee in its meeting on March 3, 2016, reviewed said investment policies and guidelines and proposed certain changes,

THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees hereby approves changes to the investment policies and guidelines for non-endowment fund investments as recommended by the Development, Endowment and Investments Committee.

**RESOLUTION
APPRECIATION OF THE UPWARD & ONWARD CAMPAIGN COMMITTEE
FOR EXEMPLARY CONTRIBUTIONS**

WHEREAS, the teaching, research, health care, and service programs of the University of South Alabama create positive momentum locally, statewide, and nationally, and

WHEREAS, philanthropic support of the University's programs magnifies their beneficial effect on the quality of life, culture, economy, and health of citizens near and far, and

WHEREAS, the members of the University of South Alabama Upward & Onward Campaign Committee, through the Upward & Onward Campaign, have firmly established themselves among its most loyal supporters, and

WHEREAS, the leadership of co-chairs Dr. and Mrs. Steven H. Stokes, along with the dedicated effort of 38 committee representatives, have agreed to serve the University and the Upward & Onward Campaign to assist with attracting gifts and matching funds, and

WHEREAS, this exemplary commitment to the mission of the University will go far to persuade potential students, employees, donors, and collaborators that the University of South Alabama is a trustworthy and able partner, and

WHEREAS, the extraordinary impact the Upward & Onward Campaign will make on the progress of the University and its corresponding impact within our community and across the nation deserves the gratitude, commendation, and support of the Board of Trustees,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama does hereby thank the leadership team of the Upward & Onward Campaign for exceptional commitment to the advancement of the University of South Alabama.

Chairman Furr called for a report from the Health Affairs Committee. Dr. Stokes, Committee Chair, advised that, at a meeting on March 3, the Committee voted unanimously to recommend Board approval of **ITEM 4** as follows. He called for comments from Dr. Finan, who discussed the formation of a cancer consortium with The University of Alabama at Birmingham's (UAB) Comprehensive Cancer Center, as was recommended by the Mitchell Cancer Institute's (MCI) Executive Advisory Committee to more efficiently achieve the goal of becoming a designated comprehensive cancer center by the National Cancer Institute (NCI). The benefits of sharing UAB's resources and infrastructure, and of participating in joint research projects and publishing joint papers, were recognized. Currently, 42 NCI-designated comprehensive cancer centers exist nationally, including M. D. Anderson. Judge Simon asked how this model might inspire other such collaborations. Dr. Finan and Ms. Chronister cited examples of existing collaborative work. Dr. Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
DECLARATION OF AGREEMENT FOR A CANCER CONSORTIUM
BETWEEN THE UNIVERSITY OF ALABAMA AT BIRMINGHAM (UAB)
AND UNIVERSITY OF SOUTH ALABAMA**

WHEREAS, the University of South Alabama, by and through its USA Mitchell Cancer Institute, (USA), and The University of Alabama at Birmingham, by and through its UAB Comprehensive Cancer Center, (UAB), mutually desire to enter into a cancer research consortium partnership, as defined in the attached, aimed at future designation by the U.S. National Cancer Institute (NCI) as an NCI Consortium Cancer Center, and

WHEREAS, such a consortium partnership will have tangible and intangible benefits of high value for the citizens of the State of Alabama and beyond, and

WHEREAS, the Board of Trustees, at its September 13, 2013, meeting approved the continued discussion and investigation by USA and UAB of the development of a "Cancer Research Consortium Partnership," as defined by the NCI, and

WHEREAS, after further discussion, the administrative officials of USA and UAB developed and endorse the attached Declaration of Agreement for a Cancer Consortium between The University of Alabama at Birmingham and the University of South Alabama,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama hereby approves and adopts the Declaration of Agreement for a Cancer Consortium between The University of Alabama at Birmingham and the University of South Alabama, as attached hereto.

Chairman Furr called for a report from the Academic and Student Affairs Committee. Ms. Maye, Committee Chair, stated that, at a meeting on March 3, the Committee heard a report from Dr. Smith on postponing residence hall construction for one year; from Drs. Darleen Dempster and

Krista Harrell on USA's SafeZone program, which promotes non-threatening and inclusive environments for LGBTQ (lesbian, gay, bisexual, transgender, questioning) students; and from Mr. Shumock on the work of a committee studying the feasibility of constructing a football stadium on campus.

Ms. Maye called upon Dr. Johnson for presentation of **ITEM 9**, a report on the activities of the Division of Academic Affairs. Dr. Johnson advised that a recent graduate of USA's Honors Program participated in one of the major scientific studies of our time. He introduced Associate Professor and Chair of the Department of Physics Dr. Justin Sanders to give additional information. Dr. Sanders reported on an exciting discovery announced in February relating to gravitational wave astronomy. He introduced USA alumnus and Louisiana State University graduate student Mr. Chris Buchanan, who gave an overview on gravitational wave science and the LIGO (Laser Interferometer Gravitational-Wave Observatory) scientific collaboration, a 20-year study in which more than 1,000 scientists, 90 universities and research institutions, and 250 undergraduate and graduate students participated worldwide, including himself. He talked about the sensitivity of equipment that could detect particles as small as 1/1000th of the width of a proton, scientific implications, and long-term funding of the project by the National Science Foundation, which totals \$1.1 billion thus far. He expressed pride for the positive things going on at his alma mater, adding that undergraduate research opportunities at South Alabama exceed those offered at many institutions.

Chairman Furr called for a report from the Budget and Finance Committee. Mr. Corcoran, Committee Chair, stated that, at a Committee meeting on March 3, Mr. Weldon presented the quarterly financial statements for the three months ended December 31, 2015. He said the Committee voted unanimously to recommend Board approval of **ITEM 13** and **ITEM 14** as follows. Chairman Furr called for a vote and the resolutions were approved unanimously:

**RESOLUTION
ALLOCATION OF LAND
FOR CONSTRUCTION OF UNIVERSITY ALUMNI CENTER**

WHEREAS, the University of South Alabama National Alumni Association (USANAA) was founded in 1974 with a mission to support and positively influence the goals of the University of South Alabama through an active relationship with the University, its alumni, students and friends, and

WHEREAS, USANAA exists to provide support to the University with a vision of providing comprehensive programs, services, and resources to benefit the University, its alumni, students and friends, and

WHEREAS, USANAA has historically had a presence on the University's main campus the current location of which is Alumni Hall, and

WHEREAS, USANAA believes its mission of support to the University can be better served having a larger home for the USANAA, on the University's campus, in and from which to conduct its many activities, and

WHEREAS, USANAA proposes to build such a facility on University land, set aside for same by the University as indicated on the Boundary Survey attached hereto and incorporated herein as Exhibit A, solely with funds of and donated to USANAA, and

WHEREAS, upon completion of the facility which will be built to specifications approved by the University, USANAA will donate the facility to the University for use by the USANAA and the University, and

WHEREAS, the University by and through its Board of Trustees agrees this is a worthy use of campus property and is in the best interest of the University in that it supports the mission of the University,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves and authorizes the set aside of the campus property as indicated on Exhibit A for the construction by USANAA, solely with funds of USANAA, of an alumni center in and from which to operate its activities in support of the University of South Alabama, and its faculty, alumni and students, to be gifted to the University at completion of its construction to the specifications approved by the University and for which the University will bear no cost.

RESOLUTION HEALTH SYSTEM LINE OF CREDIT

WHEREAS, the University of South Alabama Health System (the Health System), after a thorough evaluation and planning process, has identified a number of capital improvement projects that are required in order to maintain current revenues and enhance future revenues of the Health System, and

WHEREAS, the Health System has invested and is investing in a new unified electronic health record system to improve patient care and enhance future revenues of the Health System, and

WHEREAS, those projects are requiring a substantial outlay of cash over and above normal operating needs, and

WHEREAS, Health System management is cognizant of maintaining adequate levels of cash reserves to meet on-going anticipated operating needs, and

WHEREAS, University management desires to fund such capital outlays in the most economical and efficient manner and in a way that will better match debt service requirements with the enhanced revenues resulting from those capital projects funded, and

WHEREAS, University management believes that the most prudent manner to fund those expenditures over the next twenty-four months is through the establishment of a line of credit that would meet immediate capital funding needs while not burdening the University with an excessive debt service requirement, and with the intent to convert this line of credit to permanent financing at, or near, the end of the twenty-four month period, and

WHEREAS, University management believes that a line of credit in an amount of up to \$30 million would be sufficient to cover the costs for the projects previously noted, and

WHEREAS, the University will issue a Request For Proposal for the line of credit to insure a competitive environment,

THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees authorizes the establishment of an unsecured line of credit of up to \$30 million for Health System use with an

option to renew annually and with the intent to convert said line of credit to permanent financing within 24 months, and

BE IT FURTHER RESOLVED that the University of South Alabama Board of Trustees authorizes the President and the Vice President for Finance and Administration of the University of South Alabama to execute, attest, acknowledge and deliver any documents required, and to take all actions necessary on behalf of the University of South Alabama to carry out the actions authorized by this resolution.

Chairman Furr called for a report from the Audit Committee. On behalf of Mr. Peek, Committee Chair, Dr. Charlton said that, at a Committee meeting on March 3, Mr. Weldon presented the results of a compliance audit on intercollegiate athletics conducted by KPMG for the fiscal year ended September 30, 2015. He stated the report was clean and without exceptions.

Chairman Furr called for a report from the Development, Endowment and Investments Committee. Mr. Yance, Committee Chair, said that, at a Committee meeting on March 3, Upward & Onward Campaign Co-Chair Dr. Stokes discussed campaign statistics, noting \$84.4 million raised as of February 29. He added that a meeting of the campaign leadership team would take place later in the afternoon. He said a report on endowment performance was given. For the first quarter of fiscal year 2015-2016, the return of 2.18 percent underperformed the relative index of 3.04 percent by .86 percent. The annualized performance since inception was 4.79 percent versus an index of 3.89 percent, an outperformance of .9 percent. Mr. Yance said allocations continue to fall within the parameters of investment guidelines. As to adding private equity as an asset class and engaging a hedge fund manager, he said meetings with prospective investment firms are scheduled on March 29 and in May, respectively.

Concerning **ITEM 5** as follows, Chairman Furr, President Waldrop and Mr. Bailey were joined by the family of the late Dr. Jeff Terry, a Mobile urologist who served as a USA clinical faculty member and as staff physician at CWH. Mr. Bailey said the loss of Dr. Terry had impacted the University family in a significant way. He attributed USA's growth to the talents of skilled individuals such as Dr. Terry. Ms. Mitchell remarked that Dr. Terry had been a dear friend to her family and she read the resolution unanimously recommended for approval by the Health Affairs Committee on March 3. Chairman Furr called for the vote and the resolution was approved unanimously. Family members Mrs. Elizabeth Terry and Dr. William Terry expressed appreciation for Dr. Terry's remembrance:

**RESOLUTION
NAMING OF USA CHILDREN'S & WOMEN'S HOSPITAL OPERATING ROOM
IN HONOR OF DR. WILLIAM JEFFERSON TERRY**

WHEREAS, the University of South Alabama Children's & Women's Hospital exists to provide citizens of the northern Gulf Coast advanced and lifesaving health services of the highest quality, and

WHEREAS, Dr. William Jefferson Terry served USA Children's & Women's Hospital and its patients as a caring and compassionate physician whose unparalleled expertise as the first pediatric urologist in the State of Alabama, served to distinguish him and this hospital where he practiced as uniquely qualified to help pediatric urology patients, and

WHEREAS, Dr. Terry's vision of a good physician encompassed caring for his community, his patients, and his profession through vigorous advocacy as an active member of the Medical Association of the State of Alabama, including a term as its president; the Southeastern Delegation to the American Medical Association; and the State Board of Medical Examiners who made frequent trips to Washington, D.C., to seek positive change in cooperation with legislators and regulatory officials, and

WHEREAS, Dr. Terry was for many years a profoundly esteemed member of the community at USA Children's & Women's Hospital, revered by fellow physicians, nurses, staff, and patients and remains an example of the highest aspirations of health care professionals, and

WHEREAS, naming an operating room at USA Children's & Women's Hospital will honor Dr. Terry and serve as a lasting tribute to his legacy of compassionate care and excellence in his field,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees gratefully acknowledges the outstanding service, dedication, and leadership of Dr. Terry to the practice of medicine and to his patients and declares that the new operating room will now be known as the *Dr. William Jefferson Terry Operating Room*, and

BE IT FURTHER RESOLVED that the Board of Trustees, the President, the faculty, administrators, staff, and students of the University of South Alabama honor and remember Dr. Terry for his commitment and service to USA Children's & Women's Hospital and to the University.

Dr. Strada joined President Waldrop and Chairman Furr for the presentation of **ITEM 16** as follows. Chairman Furr read the resolution, which the Budget and Finance Committee unanimously recommended for Board approval on March 3, and he called for the vote. The resolution was approved unanimously. An artist's rendering of the *Judith Susan and Samuel Joseph Strada Patient Care Center* was shown. Dr. Strada stated he was humbled and he thanked the Board for honoring his late wife, Judy. He recognized family members and close friends in attendance and talked about the meaningful way the University had impacted his life:

**RESOLUTION
NAMING OF THE JUDITH SUSAN AND SAMUEL JOSEPH STRADA
PATIENT CARE CENTER**

WHEREAS, the University of South Alabama Board of Trustees approved plans on June 7, 2013, to construct a medical office building to enhance clinical activities and patient care experiences within the USA Physicians Group practice and other USA health care affiliates, and

WHEREAS, this 133,000-square-foot building will be completed this summer and will contain 153 patient exam rooms, 16 nurses stations and seven educational conference rooms, and

WHEREAS, the University's departments of pediatrics, obstetrics and gynecology, orthopaedics, orthopaedic rehabilitation, neurology and neurosurgery, mammography center, and medical and surgical on-

colony will utilize this clinic space to provide leading-edge patient care, conduct research, and provide education of students, resident physicians and fellows, and

WHEREAS, Judith Susan Strada, the late wife of Dr. Strada, moved to Mobile in 1983 and became an active member of the community and her church, and continued to serve the areas of primary and secondary education as a volunteer for the next 30 years, and

WHEREAS, Judy Strada served as a model of excellence for others through her love of family, community and education, and

WHEREAS, Judy Strada demonstrated great strength and courage in all aspects of her life, always providing hope and encouragement to those who knew her, and

WHEREAS, Dr. Samuel Joseph Strada, in his role as a faculty member and Dean of the University of South Alabama College of Medicine, has made significant contributions to patient care through medical education in Alabama and the nation, and

WHEREAS, Dr. Strada joined the University of South Alabama as Professor and Chair of Pharmacology in 1983 and has provided leadership in the USA College of Medicine for the past 33 years, including 12 years as Senior Associate Dean and more than 10 years as Dean, and is recognized as a successful dean, leader in academic medicine, professor, researcher, keynote speaker, active member of the community and avid South Alabama Jaguar fan, and

WHEREAS, both Judy and Sam Strada, as individuals and as a couple, have served as examples for others through their deep commitment to family and their firm belief in the transformative experience of education,

THEREFORE, BE IT RESOLVED, the Board of Trustees authorizes the President and the USA Health System Administration to recognize both Judith Susan Strada and Dr. Samuel J. Strada for their collective, indelible impact on the advancement of medicine, as well as their generosity to the community and service to education, by naming the USA Physicians Group new medical office building the *Judith Susan and Samuel Joseph Strada Patient Care Center*.

Dr. Stokes joined Chairman Furr and President Waldrop for the presentation of **ITEM 8** as follows, as did close friends and associates of Dr. Allan Tucker, retiree and longtime Professor and Chair of the Department of Pathology. Dr. Stokes, noting the Tuckers could not be present, read the resolution, which received the unanimous recommendation for Board approval by the Academic and Student Affairs Committee on March 3. Chairman Furr called for a vote and the resolution was approved unanimously. Board members and guests honored Dr. Tucker with applause:

**RESOLUTION
COMMENDATION OF DR. J. ALLAN TUCKER**

WHEREAS, the University of South Alabama seeks to honor exceptional administrators and faculty who have devoted a substantial part of their careers to serving and teaching others, and who have distinguished themselves throughout their professional careers, and

WHEREAS, Dr. J. Allan Tucker joined the USA faculty in 1991 as an associate professor of pathology and, in 2003, was named the Louise Lenoir Locke Professor and Chair of Pathology, a position he held until his retirement in February, and

WHEREAS, Dr. Tucker, throughout his tenure, held positions integral to the success of the University, College of Medicine and its students and resident physicians, including Chief of Surgical Pathology, Director of Anatomic Pathology, Director of the Pathology Residency Program, Director of the Health Services Foundation Anatomic Pathology Laboratories and Faculty Representative for the University of South Alabama Foundation Board, and

WHEREAS, Dr. Tucker is beloved by his students, having been honored 19 times by senior medical students with a scarlet graduation honor sash to signify teaching excellence; named as a member of the Gold Humanism Honor Society by the USA College of Medicine Class of 2016 for demonstrating excellence in clinical care, leadership, compassion and dedication to service; and selected by students to give the farewell charge during Honors Convocation numerous times, most recently in May 2015, and

WHEREAS, Dr. Tucker received numerous awards and honors, including the Best Basic Science Professor Award, Best Senior Rotation and a Faculty Recognition Award for best pathology housestaff teacher, and

WHEREAS, Dr. Tucker has provided physician leadership at both University hospitals, having served as a longstanding member of the USA Medical Center and USA Children's & Women's Hospital Medical Executive Committees, with both committees recently honoring Dr. Tucker for his many years of faithful service by recognizing him as a member of their respective Honorary Physician staffs, an honor granted in perpetuity, and

WHEREAS, Dr. Tucker's integrity, intellect, affability and respect for others have made him a valued academic collaborator and also a colleague who has served with distinction on numerous University committees that have helped shape the University's future, including the Faculty Committee on Appointments, Promotions and Evaluations; Faculty Assembly of the College of Medicine; College of Medicine Long Range Planning Committee; Health Services Foundation Board; and search committees for University President, Senior Vice President for Academic Affairs, College of Medicine Dean, Director of the Mitchell Cancer Institute and Chairs of Surgery, Pediatrics, and Obstetrics and Gynecology, and

WHEREAS, Dr. Tucker's insight, intellect, and dedication to the field of pathology and electron microscopy on a national and international level are rivaled only by his wit, thoughtfulness and generosity to others,

THEREFORE, BE IT RESOLVED that the Board of Trustees expresses its appreciation to Dr. J. Allan Tucker for his many contributions and years of service to the University of South Alabama and for his unyielding commitment to the medical students and residents he has educated.

Mr. Vince Kilborn, local attorney and philanthropist, joined Chairman Furr, President Waldrop and Drs. Busta and Finan for presentation of **ITEM 21** as follows, which was recommended unanimously for Board approval by the Development, Endowment and Investments Committee on March 3. Dr. Busta introduced Kilborn family members, close friends and associates, and he read the resolution. Dr. Furr called for a vote and the resolution was approved unanimously. Mr. Kilborn called it his honor to be a part of the positive momentum taking place at USA and he

credited the Mitchell family for inspiring his gift, an expression he described as an opportunity to give back to the community:

**RESOLUTION
COMMENDATION OF VINCENT KILBORN
FOR THE CREATION OF THE VINCENT F. KILBORN III ENDOWMENT**

WHEREAS, the existence of a comprehensive academic center for cancer research and treatment has been a long-standing vision for the advancement of the northern Gulf Coast region, and

WHEREAS, the USA Mitchell Cancer Institute represents the fulfillment of that vision by providing leading edge diagnosis and treatment of cancer to Gulf Coast citizens and advancing the global forefront of research toward better strategies for preventing, treating, and curing cancer, and

WHEREAS, Mr. Kilborn desires to further advance the progress of the USA Mitchell Cancer Institute and other USA health care affiliates and their outreach to the citizens of Alabama through the creation of the Vincent F. Kilborn III Endowment as a means of assuring in perpetuity the resources to support the operations of a state-of-the-art medical office building in Fairhope, Alabama,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees gratefully acknowledges the enduring faithfulness of Mr. Vincent Kilborn in committing \$1,500,000 to establish the Vincent F. Kilborn III Endowment, and

BE IT FURTHER RESOLVED that the Board of Trustees, the President, the faculty, administrators, staff, and students of the University of South Alabama warmly thank Mr. Vincent Kilborn for his commitment to and support of the University, its health care affiliates, and, especially, the USA Mitchell Cancer Institute.

Chairman Furr, President Waldrop and Dr. Busta were joined by Mr. and Mrs. Joseph Shewmake for presentation of **ITEM 22** as follows, which was unanimously recommended for Board approval by the Development, Endowment and Investments Committee on March 3. Dr. Busta shared biographical information on the Shewmakes and read the resolution. Chairman Furr called for a vote and the resolution was approved unanimously. Mr. Shewmake expressed gratitude for the Board's recognition and for the opportunity to help students and families realize their educational pursuits:

**RESOLUTION
COMMENDATION OF AUDREY AND JOSEPH SHEWMAKE**

WHEREAS, the University of South Alabama was conceived and established to expand access to the life altering experience of higher education to the residents of South Alabama and has succeeded in that mission, awarding more than 80,000 degrees in 53 years, and

WHEREAS, Audrey and Joseph Shewmake credit the development of their respective successful business careers to the strong foundation gained through university education and wish to extend similar opportunities to future generations of students through endowed scholarships, and

WHEREAS, this altruistic motive has inspired Mr. and Mrs. Shewmake to provide the means of establishing two scholarship endowments: the Joe and Audrey Shewmake Computing and Math Scholarship

Endowment Fund and the Joe and Audrey Shewmake Endowed Scholarship Endowment Fund through generous provisions for the University through their estate plans, and

WHEREAS, this extraordinary generosity of Audrey and Joseph Shewmake will enable the University to offer full tuition scholarships to two talented students each year in perpetuity, and

WHEREAS, naming the endowments in honor of Audrey Shewmake, who built a successful career at Blue Cross and Blue Shield, and Joseph Shewmake, an esteemed alumnus of the Department of Mathematics who achieved a notable career in information technologies at International Paper, will offer examples capable of encouraging persistence and inspiring excellence among generations of scholarship recipients,

THEREFORE, BE IT RESOLVED, the Board of Trustees gratefully acknowledges the selfless and profound generosity of Audrey and Joseph Shewmake in assuring the means of endowing two scholarships through their estate plans to give future students the educational foundation for happy and productive lives, and

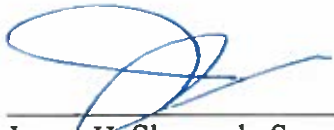
BE IT FURTHER RESOLVED that the Board of Trustees, the President, the faculty, administrators, staff, and students of the University of South Alabama warmly thank Audrey and Joseph Shewmake for their farsighted generosity.

President Waldrop advised of Judge Simon's commitment to deliver one of two Spring Commencement addresses on May 7. Judge Simon expressed enthusiasm for the good things happening at the University. He added it is remarkable to see USA students and alumni working hard to make a positive difference in the world.

There being no further business, the meeting was adjourned at 12:31 p.m.

Attest to:

Respectfully submitted:



James H. Shumock, Secretary



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

APPENDIX A

UNIVERSITY OF SOUTH ALABAMA NON-ENDOWMENT CASH POOL INVESTMENT POLICIES

Purpose

The purpose of this Investment Policy is to provide a guideline by which the pooled funds (the current, loan, agency and plant fund groups) not otherwise needed to meet the daily operational cash flows for the University can be invested to earn a maximum return, yet still maintain sufficient liquidity to meet fluctuations in the inflow of funds from revenues, tuition payments and state appropriations.

The policies and practiced hereinafter set forth separate funds into three investment categories: (1) Short-term funds (2) Intermediate-term funds (3) Long-term funds.

INVESTMENT OBJECTIVES

The investment objectives for Operational Funds Investments are: (1) to maximize current investment returns consistent with the liquidity needs of the University. In keeping with the investment objectives noted above, it is acknowledged that there are Operational Funds which require short-term, intermediate-term and long-term investment strategies.

It is expected that the maturities of the investments in the Operational Funds will be matched against the cash flow needs of each campus to maximize yields consistent with the liquidity needs of the University.

Maintenance of Adequate Liquidity

The investment portfolio must be structured in such a manner that will provide sufficient liquidity to pay obligations such as normal operating expenses and debt service payments as they become due. A liquidity base will be maintained by the use of securities with active secondary markets, certificates of deposit, or repurchase agreements. These investments could be converted to cash prior to their maturities should the need for cash arise.

Return on Investments

The University seeks to optimize return on investments within the constraints of each investment objective. The portfolio strives to provide a return consistent with each investment category. The cash pool portfolio rate of return will be compared with the returns of broad indices representing the investment and maturity structure of the Pool.

DELEGATION OF AUTHORITY

The Board of Trustees is ultimately responsible for investment policy. By Board Resolution the Board of Trustees is delegating investment authority to the President or Vice President for Financial Affairs or other such persons as may be authorized to act on their behalf.

The Investment Policy is established to provide guidance in the management of the University's Non-Endowment Cash Pool to insure compliance with the laws of the State of Alabama and investment objectives. The Vice President for Financial Affairs or his designee is accorded full discretion, within policy limits, to select individual investments and to diversify the portfolio by applying their own judgments concerning relative investment values.

IMPLEMENTATION OF THE INVESTMENT POLICY

The Vice President for Financial Affairs or his designee is authorized to execute security transactions for the University investment portfolio. Reports of investments shall be presented to the Endowment and Investment Committee of the Board of Trustees.

AUTHORIZED INVESTMENT INSTRUMENTS

Short-Term Operational Funds

Safety of Capital

Preservation of capital is regarded as the highest priority in the handling of investments for the University of South Alabama. All other investment objectives are secondary to the safety of capital.

It is assumed that all investments will be suitable to be held to maturity. However, sale prior to maturity is warranted in some cases. For example, investments may be sold if daily operational funds are needed or if the need to change the maturity structure of the portfolio arises.

All investments will be restricted to fixed income securities with the maturity range to be consistent with the liquidity needs of the pooled fund groups. It is essential that cyclical cash flow be offset by liquid investments. Permissible investment instruments may include:

1. Checking and Money Market deposit accounts in banks. These funds are subject to full collateralization for the amounts above the FDIC \$250,000.00 coverage limit, or participation by the Bank in the State of Alabama's Security for Alabama Funds Enforcement Program.
2. Certificates of Deposit issued by banks and fully collateralized for the amounts above the FDIC \$250,000.00 coverage limit or participation by the bank in the State of Alabama's Security for Alabama Funds Enforcement Program. Negotiable Certificates of Deposit or

Deposit Notes issued by credit worthy U.S. Banks in amounts not to exceed the FDIC \$250,000.00 coverage limit.

3. Direct obligations of the United States or obligations unconditionally guaranteed as to principal and interest by the United States.
4. Obligations of a Federal Agency (including mortgage backed securities) or a sponsored instrumentality of the United States including but not limited to the following:
 - Federal Home Loan Bank (FHLB)
 - Federal Home Loan Mortgage Corporation (FHLMC)
 - Federal Farm Credit Banks (FFCB)
 - Government National Mortgage Association (GNMA)
 - Federal National Mortgage Association (FNMA)
 - Student Loan Marketing Association (SLMA)
 - Financing Corp (FICO)
 - Tennessee Valley Authority (TVA)
 - Government Trust Certificates (GTC)
5. Commercial paper of corporate issuers with a minimum quality rating of P-1 by Moody's, A-1 by Standard and Poor's or F-1 rating by Fitch. Corporate bonds will maintain a minimum "A" rating by both Moody's and Standard and Poor's at the time of purchase. No more than ten percent (10%) of the Total Cash and Investments shall be invested in a single corporation for Commercial Paper/Short-term Corporate Bonds and thirty-five percent (35%) per Federal Agency Obligation as described above. There will be no limit on U.S. Treasury Obligations. All such securities must have an active secondary market.

The maturity range of Short-Term Operational Funds Investments shall be consistent with liquidity requirements of the funds category. However, funds established under certain debt instruments may be invested in accordance with the applicable criteria. Typical maturity will range from one day to one year ~~1 year and less~~.

Intermediate-Term Investment of Operational Funds

Investments for those Operational Funds designated by the ~~Campus~~ President as benefiting from investment over a one- to three-year period.

AUTHORIZED INVESTMENT INSTRUMENTS

Permissible investments are consistent with all investments approved under short-term operational funds within a one- and three- year investment period. It is expected that the maturities of the investments within the intermediate-term funds will match against the cash flow needs of the University and to maximize yields consistent with the liquidity needs of the University.

Long-Term Investment of Operational Funds

From time to time management may have the opportunity to invest Operational Funds designated by the President to achieve higher earnings over a longer time horizon. These funds will be invested based on the Non-endowment Equity and Alternative Investment Pool Guidelines referenced in Appendix A.

~~Investments for those Operational Funds designated by the Campus President as benefiting from a longer term investment strategy will use the same investment and management criteria as those applicable under the University's Endowment Investment Policy.~~

PASS THROUGH OR DESIGNATED FUNDS

This policy shall also cover pass through funds (endowment funds to be forwarded to external endowment fund managers) and any funds managed by the University and designated for specific purposes and not covered by individual investment restrictions (i.e. endowment funds that may not be co-mingled, bond proceeds during construction, USA Health Plan, etc.)

PRUDENCE AND ETHICAL STANDARDS

The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. Persons performing the investment functions, acting in accordance with these written policies and procedures, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations and appropriate recommendations to control adverse developments are reported in a timely fashion. The "prudent person" standard is understood to mean:

"Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived."

EFFECTIVE DATE

This policy shall become effective immediately upon its adoption by the Board of Trustees. Further, this policy shall be reviewed at least annually and updated whenever changing market conditions or investment objectives warrant.

Appendix A



University of South Alabama

Non-Endowment Equity and Alternative Investment Pool Guidelines

Purpose

The purpose of the University's Non-Endowment Equity and Alternative Investment Pool (Equity and Alternative Pool) is to maximize returns for those operating funds that are not utilized for day to day cash management needs. These funds will have a seven- to ten- year time horizon. The goal of the Equity and Alternative Pool is to provide revenue while preserving principal to fund University projects as set forth by the University President.

Return on Investments

The University seeks to optimize return on these investments within the constraints of the Equity and Alternative Pool guidelines. The portfolio strives to provide a return consistent with each investment category.

Oversight and Delegation of Authority

The Equity and Alternative Pool will be governed by the Non-Endowment Cash Pool Investment Policy. The Board of Trustees is ultimately responsible for the Non-Endowment Cash Pool Investment Policy. Investment oversight will be delegated to the President or Vice President for Finance and Administration or other such persons as may be authorized to act on their behalf.

Investment Objectives

In order to meet its needs, the investment strategy of the Equity and Alternative Pool is to emphasize long-term growth; that is, the aggregate return from capital appreciation. The Equity and Alternative Pool shall be monitored for return relative to objectives, consistency of investment philosophy, and investment risk.

Portfolio Composition and Risk

- A. To achieve its investment objective, the Equity and Alternative Pool assets are considered as divided into two parts; an alternative investment component or hedged strategy and an equity component. Total Equity and Alternative Pool assets should not exceed 25% of all non-endowment cash and cash-equivalents of the University as of September 30th of the prior fiscal year. This percentage will be reassessed periodically and any changes will be communicated to the Board. The Equity and Alternative Pool commitment to these funds shall be as follows:

	<u>Range</u>	<u>Long-term neutral</u>
Equity	45-85%	70%
Alternative Investment	10-35%	30%

- B. The purpose of the equity component is to provide appreciation of principal that more than offsets inflation and to provide a growing stream of capital appreciation and current income. It is recognized that the pursuit of this objective could entail the assumption of greater market variability and risk than investment in fixed-income securities. Equity and equity-substitute investments are broadly defined as common stocks, high-yield bonds, reorganization securities, venture capital, leveraged buyout investments, equity real estate, exchange traded index funds, etc.
- C. The purpose of the alternative investment component is to provide the Equity and Alternative Pool a source of returns with low to negative correlation to equity markets and volatility of one third to one half that of the U.S. equity market, while still achieving equity-like returns of Treasury Bills plus 2-8% over time. The alternative investment component should normally represent approximately 10-35 percent of the total Equity and Alternative Pool.
- D. Any assets not committed to the alternative investment component shall be allocated to the equity fund. The equity fund should normally represent approximately 45-85 percent of total the Equity and Alternative Pool assets at market value. Although the actual percentage of equities will vary with market conditions, levels outside this range should be closely monitored.
- E. The Equity and Alternative Pool includes investments in several categories:

	Long-Term Strategic	
Asset Class	Target (%) of Funds	Range
<i>DOMESTIC EQUITY</i>	55%	40-70%
Large Cap	40%	30-65%
Mid Cap	10%	5-15%
Small Cap	5%	3-10%
<i>INTERNATIONAL STOCKS</i>	15%	5-25%
Developed Markets	10%	3-20%
Emerging Markets	5%	0-10%
<i>TOTAL EQUITY COMPONENT</i>	70%	45-85%
<i>ALTERNATIVE INVESTMENTS</i>	30%	10-35%
Absolute Return	30%	10-35%
<i>TOTAL ALTERNATIVE COMPONENT</i>	30%	10-35%
<i>TOTAL</i>	100%	

- F. Within the equity fund, certain investments can be included to provide a hedge against unanticipated, rapidly accelerating inflation. These include cash, real estate and oil and gas investments.
- G. The Equity and Alternative Pool investments shall be diversified both by asset class (e.g., equities and alternative investment securities) and within asset classes (e.g., within equities by economic sector, geographic area, industry, quality, and size). The purpose of diversification is to provide reasonable assurance that no single security or class of securities shall have a disproportionate impact on the endowment funds aggregate results. Equity securities in any single industry will not exceed 20 percent, nor will equity securities in any single company exceed 10 percent of the market value of the endowment's allocation to equities.

Spending Policy

It shall be the policy of the Equity and Alternative Pool to preserve and maintain the real purchasing power of the principal of the Fund. The current spending policy of the Equity and Alternative Pool will be determined annually by the University President. The spending guideline is based on an expected total return over the long-term less expected inflation and will use the excess return over the inflation adjusted principal using a 3 year moving average to help fund the operating needs of the University.

Line of Credit

At times of extreme volatility related to the Equity and Alternative Pool a Line of Credit (LOC) will be utilized to meet day to day management of the University's operating needs. A LOC of up to \$30,000,000 will be established and available to meet those periods when operating cash is low due to seasonal tuition revenue. The LOC will be repaid in full as soon as sufficient cash is available. The Investment Manager will be required to inform the Vice-President for Finance and Administration, Treasurer and President and obtain appropriate approval of any draws and repayments on the LOC and will be required to provide them with balance reports throughout the year.

**DECLARATION OF AGREEMENT
For a Cancer Consortium**

between

**THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA FOR
THE UNIVERSITY OF ALABAMA AT BIRMINGHAM**

and

UNIVERSITY OF SOUTH ALABAMA

This **DECLARATION OF AGREEMENT** ("Agreement") is entered into by and between The Board of Trustees of the University of Alabama for The University of Alabama at Birmingham ("UAB"), located in Birmingham, Alabama, and the University of South Alabama ("USA"), located in Mobile, Alabama. Each party will be referred to individually as a "Party," and collectively as "the Parties" or "Participant Institutions." *This Agreement has an effective date as of the date of the last signature hereto.*

WHEREAS, USA and UAB are state institutions of higher learning established pursuant to the laws of the State of Alabama; and

WHEREAS, the USA Mitchell Cancer Institute ("USAMCI") and the UAB Comprehensive Cancer Center ("UABCCC") are operational divisions within their respective universities that reflect the institutional commitment of the universities to cancer research and oncology healthcare, including bringing the latest advancements in cancer prevention, control, treatment, and survivorship to all citizens of the State of Alabama and beyond; and

WHEREAS, USAMCI and UABCCC are the only academic cancer research centers in the State of Alabama; and

WHEREAS, cancer has devastating human and socioeconomic impact throughout the State of Alabama; and

WHEREAS, the United States National Cancer Institute ("NCI") recognizes and supports the

nation's most elite academic cancer centers through the highly competitive award of NCI P-30 Cancer Center Support Grants ("NCI-CCSG") and designation as "NCI Comprehensive Cancer Centers" and

WHEREAS, UABCCC holds, and has held this prestigious NCI designation and has competed successfully for the NCI-CCSG continuously since 1973; and

WHEREAS, the NCI promotes and supports expanding the nationwide reach of NCI-designated centers into strategic regions with unmet needs and opportunities in cancer research and oncology healthcare; and

WHEREAS, the NCI advocates such aforementioned expansions both through growth of new centers and through creation of consortium partnerships¹ with existing NCI centers and;

WHEREAS, according to the latest NCI publication (dated September 25, 2012, pp.4-5) entitled Policies and Guidelines Relating to the P30 Cancer Center Support Grant:

NCI supports consortium centers in which investigators from distinct scientific institutions partner together to contribute actively to the development and actualization of the cancer research agenda; these formalized relationships have the potential to both strengthen the science of the center and further extend the benefits of cancer research. Partnerships between research institutions serving special populations or located in geographic areas not currently served by an NCI-designated Cancer Center are particularly encouraged; and

WHEREAS, UABCCC and USAMCI mutually desire to establish a Consortium Cancer Center consistent with the principles that NCI applies to consortium arrangements in the context of the NCI designation; and

¹ The term "partnership" is used herein in the context of the latest NCI publication (dated September 25, 2012, pp. 4-5) entitled Policies and Guidelines Relating to the P30 Cancer Center Support Grant, and is not intended to create, nor shall it be construed as creating, a separate legal partnership entity between or among UABCCC and USAMCI or recognized or held out as a separate legal partnership entity for Alabama state law purposes or federal taxation law purposes.

WHEREAS, UABCC and USAMCI together will fulfill the NCI goal of serving special populations and unmet needs in geographic areas devoid of an NCI-designated Comprehensive Cancer Center;

NOW THEREFORE, USAMCI and UABCCC declare their mutual intent to establish a consortium partnership, as defined herein, provisionally named the UAB/USA Cancer Consortium, (hereinafter the "Consortium") with the intent of achieving the aforementioned NCI expectations of Consortium Cancer Centers, and to achieve joint NCI-CCSG funding and NCI designation as a Consortium Cancer Center by 2020.

Organizational Status: This Agreement recognizes the natural relationship of two (2) well-established, independent academic institutions. Each Party to this Agreement is responsible primarily to its respective governing body. Each institution has separate goals, aspirations and responsibilities. The Participant Institutions, however, acknowledge that their mutual interests and those of the communities they serve are advanced by their working together to extend and apply scientific knowledge and other cancer-related services and programs. This Agreement is structured to facilitate strengthening the bonds between mutually respectful organizations.

Objectives of the Consortium: Subject to the terms of this Agreement, the Parties intend to accomplish the following objectives;

1. Maintain and pursue a shared vision for a combined world-class program of oncology research, teaching and clinical cancer care;
2. Develop a strategic plan to achieve that vision, to be renewed every five (5) years and updated as needed;
3. Operate intra- and inter-institutional collaborative programs of national and international stature in research and education in biomedical and public health fields of shared interest and consistent with NCI expectations for Consortium Centers;
4. Ensure that necessary space and resources are available to meet programmatic needs,

and that space and resources are managed efficiently with minimal duplication of services across the two (2) Participant Institutions;

5. Raise funds, through grants, foundations and philanthropic efforts, to meet capital and operational needs of the Consortium, including future joint submission of Cancer Center Support Grant application(s) to the NCI; and
6. Serve the people of the State of Alabama and the deep-south region of the United States.

Operating Principles: To ensure the stability and integration of the Consortium and the long-term success of the integrated UAB/USA Cancer Consortium, UABCCC and USAMCI are committed to the set of operating principles that are described in this section. These operating principles are based on Section 1.7, Consortium Centers, of the Policies and Guidelines Relating to the P30 Cancer Center Support Grant, issued by the Office of Cancer Centers of the National Cancer Institute (September 25, 2012). The Consortium Governance Board, identified below, expects to reach consensus on all major issues.

1. Consortium Governance Board: UABCCC and USAMCI will maintain a Consortium Governance Board ("Governance Board"), comprised of the following:

UAB

- 1) President
- 2) Senior Vice-President for Medicine and Dean School of Medicine
- 3) Vice-President for Research and Economic Development
- 4) Chief Executive Officer, UAB Health System
- 5) Director, UAB Comprehensive Cancer Center

USA

- 1) President
- 2) Vice-President for Medical Affairs/Dean, College of Medicine
- 3) Vice-President for Research and Economic Development
- 4) Vice-President for Health Systems
- 5) Director, USA Mitchell Cancer Institute

The role of the Governance Board is to form and terminate the Consortium, approve this Agreement and any changes to its terms and conditions in the future, review internal and external evaluations of the Consortium and address inter-institutional disputes that may

arise between the Participant Institutions in regard to Consortium business.

2. Consortium Director: It is agreed by the Parties that the named Principal Investigator on the NCI-CCSG held by UAB or the Consortium will serve as the Consortium Director. The Consortium Director is responsible for meeting the objectives of the Consortium.
3. Consortium Executive Committee: In consultation with and subject to approval by the Governance Board, the Consortium Director will appoint a Consortium Executive Committee ("Executive Committee") which will have senior representatives recommended by each Participant Institution who are knowledgeable about cancer research and cancer program administration, are able to represent the interests of the Participant Institutions in the planning and evaluation process, and also will communicate the plans and requirements of the Consortium back to their institutions. The Executive Committee will work with the Consortium Director to establish the vision and the strategic plan for the Consortium, agree upon space, resource requirements and priorities, and secure the necessary resources through Participant Institutions or external sources. The Executive Committee will also manage the Consortium membership process and the planning process for shared resources. In addition to key senior administrative personnel, the Executive Committee will include representation of scientists and program leaders from the Participant Institutions who have attained worldwide stature for their contributions to cancer research in the areas of basic, clinical and population sciences.
4. Consortium Operating Committee: A Consortium Operating Committee comprised of faculty or staff of UABCCC and USAMCI may be formed by the Consortium Director on an *ad hoc* or standing basis to address systems issues, including such topics as operations, information technology, and public relations.
5. Consortium External Advisory Council: At an appropriate time, to be determined by the

Governance Board, the Board will name a Consortium External Advisory Council ("CEAC"), comprised of nationally/internationally recognized leaders in the fields of cancer research and/or oncology healthcare, to provide expert advice to the Governance Board and Consortium senior leaders on all matters pertinent to the Consortium. The Consortium CEAC may be comprised of some or all members of the UAB External Advisory Committee and the MCI Executive Advisory Board, which provide external expert advice to the UABCCC and the USAMCI, respectively.

6. Consortium Administrator: A Consortium Administrator will be named by the Consortium Director, subject to the approval of each institution, to address operating issues that arise in the management of Consortium business. The Consortium Administrator will report to the Consortium Director, and financial support of the Consortium Administrator will be shared equally between UABCCC and USAMCI.

7. Other: Both Parties recognize that forming a consortium that is competitive for future joint NCI-CCSG funding and joint NCI designation is the goal of both Parties and, toward that end, USAMCI and USA are committed to (a) substantially growing the cancer-related institutional research base at USA, (b) expanding and enhancing the academic quality and scope of its clinical oncology programs, and (c) being responsive to the recommendations of the MCI Executive Advisory Board, the UABCCC External Advisory Committee, and/or the CEAC. USAMCI and USA will work diligently toward achievement of the following within the next five (5) years : (1) an institutional, cancer-related research base of \$10M extramural grant dollars (direct costs) per year, (2) advancement of the academic quality and scope of its clinical oncology programs to a level comparable to top academic cancer centers in the nation, and (3) implementation of an operational and business model within the USA Health System that both renders USAMCI financially viable and enables the aforementioned growth and refinement of

USAMCI research and clinical programs.

Other Arrangements and Agreements: The Parties may have prior affiliation agreements that relate to faculty appointments, graduate training, research grants and contracts, recognition and use of names, joint planning, intellectual property, and termination of their relationships and related agreements. In the event that any portion of this Agreement is deemed to be in conflict with any of these prior agreements and arrangements, the Participant Institutions shall negotiate in good faith to bring this Agreement into conformance with these other agreements and arrangements. If the Parties are unable to reconcile the terms of this Agreement and the terms of the other agreements and arrangements, the latter shall control.

Severance: If any provisions of this Agreement or the application of such provisions to any person or circumstances shall be held invalid, the remainder of the Agreement or the application of such provisions to persons or circumstances other than those to which it was held invalid shall not be affected thereby.

Recognition and Use of Name: UABCCC and USAMCI may use the name of the Consortium for the purpose of meeting the objectives of the Consortium outlined in this Agreement. If the Consortium is granted future National Cancer Institute Comprehensive Cancer Center status, this information can also be used for marketing and public relations purposes. The Participant Institutions agree to use their good faith, best efforts to negotiate and agree to a more detailed brand identity policy and guidelines governing the use of their respective names and marks in connection with the Consortium and the development and use of the Consortium name and marks.

Modifications: Amendments to this Agreement shall be in writing and must be approved by the Participant Institutions.

Compliance with Law: Each Party shall carry out its respective activities and obligations under this Agreement in conformance with applicable federal, state and local laws and so as to

preserve exempt organizational status under Section 501(c)(3) of the Internal Revenue Code and USA and UAB's status as a public institution of higher learning in the State of Alabama. Neither Party is debarred or, to the best of its knowledge, currently under investigation by a state or federal body for violation of any applicable state or federal law.

Confidentiality: Each Party agrees to use confidential information of the other Party's or the Consortium only in the furtherance of the purposes and objectives of the Consortium and performance of this Agreement or any agreements entered into pursuant hereto. No Party shall disclose any confidential information of the other Party to any third party except to the receiving party's directors, employees or consultants as provided below. Each Party may, however, disclose confidential information of the other Party's in accordance with any judicial or other governmental order or as necessary to comply with any applicable law or regulation, provided the Party making the disclosure gives the other Party reasonable notice prior to such disclosure and, in the case of a judicial or governmental order, complies with any applicable protective order or equivalent.

Termination: Each Party will have the right to terminate this Agreement with ninety (90) days' notice to the other Party.

IN WITNESS WHEREOF, the Parties have hereunto set their hands and seals and duly executed this Declaration of Agreement the date and year set forth below:

**For The Board of Trustees of the
University of Alabama for The University**

Of Alabama at Birmingham: _____

For the University of South Alabama:

Chair Pro Tempore
Board of Trustees

Date

President, University of
Alabama at Birmingham

Date

Senior Vice-President for
Medicine and Dean for
School of Medicine

Date

Vice-President for Research
and Economic Development

Date

Chief Executive Officer,
UAB Health System

Date

Director, UAB
Comprehensive Cancer Center

Date

President, University of
South Alabama

Date

Vice-President for
Medical Affairs/Dean, College of
Medicine

Date

Vice-President for Research
and Economic Development

Date

Vice-President for Health
Systems

Date

Director, USA Mitchell
Cancer Institute

Date



UNIVERSITY OF SOUTH ALABAMA

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

PROPERTY ADDRESS:

2674 Josephine Street
Mobile, Alabama 36607
Key Number 00766950

APPRAISAL INFORMATION:

No appraisal was obtained as the property was acquired via payment of State and County taxes due. The Mobile County Revenue Commission reported a 2015 Fair Market Value of \$2,200.00 for the property.

CONTRACTS RELATED TO THE PURCHASE:

Attached as "Exhibit A"

PURCHASE TERMS:

Cash Purchase

SOURCES OF FUNDS USED IN THE PURCHASE:

Unrestricted Funds

USA PROPERTIES

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

STATE OF ALABAMA
COUNTY OF MOBILE

DEED

KNOW ALL MEN BY THESE PRESENTS, that for a sales price of Four Hundred Twenty-Seven Dollars and Forty-Seven Cents (\$427.47), MBI, LLC, an Alabama limited liability company (the "Grantor"), does hereby, subject to matters of record in the Probate Court of Mobile County, Alabama, GRANT, BARGAIN, SELL, and CONVEY unto the University of South Alabama, a public body corporate of the state of Alabama (the "Grantee") the real property in Mobile County, Alabama, described as follows:

LOT 1 DIV B MILLVILLE TRT DBK 121/512 LESS & EXC THAT PT
INTO MOBILE ST #SEC 23 T4S R1W #MP29 07 23 0 002

TOGETHER WITH ALL AND SINGULAR the rights, tenements, hereditaments, privileges, easements and appurtenances thereunto belonging or in anywise appertaining.

TO HAVE AND TO HOLD said property unto the Grantee, and unto the Grantee's successors and assigns, forever.

IN WITNESS WHEREOF, the undersigned has executed this instrument this 7th
day of APRIL, 2016.

MBI, LLC

Signature:



Printed Name:

ABRAHAM A. MITCHELL

Title:

MEMBER

STATE OF ALABAMA
COUNTY OF MOBILE

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Abraham A. Mitchell, whose name as Member of MBI, LLC, an Alabama limited liability company, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this date that, being informed of the contents of said conveyance, and with full authority, he/she executed the same voluntarily for and as the act of said company on the date the same bears date.

Given under my hand and seal on this the 1st day of April, 2016.

Cynthia S Leonard
NOTARY PUBLIC

My Commission Expires: CYNTHIA S LEONARD
NOTARY PUBLIC
ALABAMA STATE AT LARGE
MY COMMISSION EXPIRES:
2-4-20

Address of Grantor:
3800 RIVERPORT BLUE SUITE 301
MOBILE, AL 36608

Address of Grantee:
AD 140
307 University Boulevard North
Mobile, AL 36688-0002

Property Address:
2674 Josephine Street
Mobile, AL 36607

This Instrument Prepared By:
Kristin Daniels Dukes, Esq.
AD 140
307 University Boulevard North
Mobile, AL 36688-0002



UNIVERSITY OF SOUTH ALABAMA

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

PROPERTY ADDRESS:

Lot 2, Cornell Addition to Oakland Avenue
Mobile County, Alabama

APPRAISAL INFORMATION:

In lieu of an appraisal, a fair market valuation was compiled by Harry Brislin,
Director of USA Properties.

CONTRACTS RELATED TO THE PURCHASE:

Attached as "Exhibit A"

PURCHASE TERMS:

Cash Purchase

SOURCES OF FUNDS USED IN THE PURCHASE:

Unrestricted Funds

USA PROPERTIES

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

REAL ESTATE PURCHASE CONTRACT

The University of South Alabama ("Buyer"), an Alabama public body corporate, whose principal address is 307 University Boulevard, Administration Building, Room 170, Mobile, Alabama 36688 ("Buyer's Address"), hereby agrees to buy and Edward D. Cornell, ("Seller"), whose principal address is 22 Oakland Avenue, Mobile, Alabama 36608 ("Seller's Address"), hereby agrees to sell for the consideration and upon the terms hereinafter set forth, the real estate illustrated in Exhibit "A" and described as:

PROPOSED LOT 3 of BEG SW COR LOT 8 BLK 1 MARSTON PL DBK 156/403 RUN N 29 DEG 07 MIN W ALG W/L OF LOT 8 DIS OF 322.5 FT TH N 89 DEG 45 MIN E ALG S/S OF 20 FT LN 180 FT TH S 48.4 FT TH E 46.5 FT TH N

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

ARTICLE I - PURCHASE PRICE AND OTHER COSTS

- 1.1 The purchase price for the Property shall be **ONE HUNDRED SIXTY THOUSAND DOLLARS AND NO/100 (\$160,000.00)** (the "Purchase Price") and shall be payable on the day of closing ("Closing Date") by cash, cashier's check, certified check or wire transfer. Seller agrees to pay all costs associated with issuance of an owner's policy of title insurance and all documentation preparation fees, including preparation of the general warranty deed. Property taxes shall be prorated as of the Closing date.

ARTICLE II - CLOSING

- 2.1 Unless otherwise extended by the provisions of this Real Estate Purchase Contract (the "Contract") or by agreement in writing by the parties, the closing of this transaction (the "Closing") shall be held within thirty (30) days following the final approval of the contract by the University of South Alabama Board of Trustees and no later than February 29, 2016.
- 2.2 A further period of five (5) days shall be allowed for closing if the closing is delayed by title defects which can be readily corrected to Buyer's satisfaction.
- 2.3 The Closing shall be held at the Title Insurance Company as defined in Article V.

ARTICLE III - POSSESSION

- 3.1 Seller and Buyer acknowledge and agree that until the closing date, Seller shall have possession of the Property and shall continue to pay any and all expenses incurred by Seller and agrees to indemnify and hold Buyer harmless from any and all costs associated with same.
- 3.2 Seller hereby represents and warrants there are no outstanding mortgages and/or liens on the Property. Seller agrees that the proceeds of this sale shall be used to satisfy any and all outstanding mortgages and/or liens that exist on the Property at Closing before any remaining proceeds from the sale are given to Seller.

ARTICLE IV - DEED AND OTHER DOCUMENTS

- 4.1 Seller shall convey the Property to Buyer by recordable General Warranty Deed (the "Deed"), conveying good and marketable title of record to the Property, in fee simple, free and clear of all liens and encumbrances except for a lien of real property taxes not yet due and payable, any liens and encumbrances which do not interfere with Buyer's intended use of the Property, including existing easements, and other exceptions approved in writing by Buyer.
- 4.2 Seller shall execute and deliver with the Deed such other documents as may be

required by any governmental entity or by the title insurance company as a condition to the issuance of its policy of title insurance in accordance with Article V, including, but not limited to:

- (a) The standard affidavit required by the Title Insurance Company for the removal of the standard preprinted exceptions from the title insurance policy; and (b) A Certificate of Non-Foreign Status or other evidence satisfactory to Buyer and the title insurance company confirming that Buyer is not required to withhold or pay to the Internal Revenue Service any part of the "amount realized" as such term is defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto.

ARTICLE V -- TITLE INSURANCE

- 5.1 Within three (3) days after the effective date of this Contract as defined in Article 12.7 (the "Effective Date"), Seller shall order a title insurance commitment or preliminary title report issued by The Guarantee Title Company, LLC or another title insurance company acceptable to Buyer (referred to as "Title Insurance Company") in which the Title Insurance Company commits that upon delivery and recordation of the Deed and other documents provided for in this Contract, it will issue, at its usual rate, an ALTA form B owner's policy with extended coverage or comparable form, insuring access to the Property and such other endorsements as Buyer may request (the "Policy"), insuring Buyer in the total amount of the Purchase Price, fee simple title to the Premises subject only to:
 - (a) the lien for real estate taxes not yet due and payable;
 - (b) exceptions approved in writing by Buyer; and/or
 - (c) such liens as are to be released and discharged at the Closing. Seller agrees to provide to Buyer and the Title Insurance Company all title information in Seller's possession relating to the Property together with a copy of the most recent tax bills relating to the Property.
- 5.2 Without limiting the foregoing or being limited thereby, the standard exceptions for parties in possession, mechanics' and materialmen's liens and matters which would be disclosed by an accurate survey shall be eliminated from said Policy.
- 5.3 Seller shall bear all costs and expenses incurred in connection with the issuance of said title commitment, Policy and any endorsements thereto which are required for the Policy to conform to the terms and conditions of this Contract.
- 5.4 If the title insurance commitment or report shows any exceptions to title other than those referred to in Section 5.1 above, Buyer shall notify Seller in writing of the defects in title within ten (10) days after receipt of the title commitment (with copies of all documents referred to therein). Seller shall then have ten (10) days after receipt of such notice in which to cure such defects and furnish to Buyer satisfactory proof that such defects have been cured. Seller agrees to use best efforts to cure such defects.

If Seller fails or is unable to cure such title defects within such ten (10) day period or to obtain title insurance which will give affirmative coverage to Buyer against loss as a result of such title defects, Buyer shall have the option, to be exercised in its sole discretion, to (i) proceed with Closing of this transaction subject to such title defects, or (ii) terminate this Contract.

ARTICLE VI – TAXES AND ASSESSMENTS

- 6.1 Seller shall pay or credit against the Purchase Price all unpaid real estate taxes, including penalties and interest, for all tax years preceding the Closing Date, and shall credit a portion of such taxes for the tax year in which the Closing is held, prorated through the Closing Date. The proration of such taxes shall be based on a 365-day year and on the most recently available rate and valuation and the amount so computed and adjusted shall be final.
- 6.2 Seller shall pay any special assessments which:
- (a) are a lien on the Property on the Closing Date, whether such assessments are past due, then due or thereafter to become due or;
 - (b) are not a lien but are then known and will be payable in whole or in part after the Closing Date.

ARTICLE VII – UTILITY CHARGES

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

ARTICLE VIII – RISK OF LOSS

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

ARTICLE IX – CONDITIONS TO CLOSING

- 9.1 Buyer's obligation to close this transaction is subject to the following conditions and covenants:
- (a) **Easements.** Buyer may obtain at or prior to Closing all other easements or licenses deemed necessary by Buyer upon terms and conditions acceptable to Buyer. Seller agrees to reasonably cooperate with Buyer in obtaining any such easements or licenses.
 - (b) **Title Insurance.** Buyer shall have obtained from Seller a satisfactory title insurance commitment or preliminary title report in accordance with Article V above.
 - (c) **Environmental Audit and Testing.** Buyer, at Buyer's expense, may obtain a current satisfactory Phase I or Phase II Environmental Audit of the Property and any other environmental testing which Buyer deems reasonably necessary to evaluate potential environmental risks. If such audit or tests reveal the existence of any toxic or hazardous waste, material or substance on, under or surrounding the Property, Buyer may terminate this Contract.
 - (d) **Appraisal.** Buyer, at Buyer's expense, shall obtain an appraisal on the property. If the appraised value is less than the total purchase price stated in the contract of sale, the Buyer may, at Buyer's sole option, declare this offer null and void, and Buyer will be entitled to a return of all deposits. Thereafter, neither the Buyer, the Seller, nor any brokers shall have any further rights, obligations, or liabilities under this contract.
 - (e) **Approvals.** This contract is subject to the approval of the University of

covenants as of the Closing Date:

- (a) All covenants, conditions, restrictions, easements and similar matters affecting the Property have been complied with.
- (b) The continued compliance with all legal requirements relating to the Property is not dependent on facilities located at any other property; and compliance by any other property with any legal requirements applicable to the other property is not dependent on the Property.
- (c) There is no pending or threatened litigation, arbitration, administrative action or examination, claim, or demand whatsoever relating to the Property or the furnishings and equipment contained in the premises and sold as part of this Agreement. No attachments, execution proceedings, liens, assignments or insolvency proceedings are pending, threatened or contemplated against Seller, the Property or the furnishings and equipment contained in the premises and sold as part of this Agreement. Seller is not contemplating the institution of insolvency proceedings.
- (d) Seller has no knowledge of any pending or contemplated eminent domain, condemnation, or other governmental or quasi-governmental taking of any part or all of the Property.
- (e) Seller has not been notified of any possible future improvements by any public authority, any part of the cost of which might be assessed against any part of the Property.
- (f) To the best of Seller's knowledge, Seller:
 - (i) has not used the Property for the storage, treatment, generation, production or disposal of any toxic or hazardous waste, material or substance nor does Seller have knowledge of such use by others;
 - (ii) has not caused or permitted and has no knowledge of the release of any toxic or hazardous waste, material or substance on or off site of the Property;
 - (iii) has not received any notice from any governmental authority or other agency concerning the removal of any toxic or hazardous waste, material or substance from the Property; and
 - (iv) has disclosed to Buyer the location of all underground storage tanks on the Property (if any).
- (g) No event has occurred with respect to the Property which would constitute a violation of any applicable environmental law, ordinance or regulation.
- (h) The execution and delivery of this Contract has been duly authorized and validly executed and delivered by Seller, and will not:
 - (i) constitute or result in the breach of or default under any oral or written agreement to which Seller is a party or which affects the Property;
 - (ii) constitute or result in a violation of any order, decree or injunction with respect to which either Seller and/or the Property is/are bound;
 - (iii) cause or entitle any party to have a right to accelerate or declare a default under any oral or written agreement to which Seller is a party

or which affects the Property; and or

- (iv) violate any provision of any municipal, state or federal law, statutory or otherwise, to which either Seller or the Property may be subject.

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

ARTICLE XII – MISCELLANEOUS

- 12.1 This Contract shall inure to the benefit of and bind the parties hereto, their respective heirs, executors, administrators, personal and/or legal representatives, successors and assigns.
- 12.2 This Contract constitutes the entire agreement between the parties and there are no representations, oral or written, relating to the Property or to this transaction which have not been incorporated herein. Any agreement hereafter made shall be ineffective to change, modify or discharge this Contract in whole or in part unless such agreement is in writing and signed by the party against whom enforcement of any change, modification or discharge is sought.
- 12.3 The headings of the Articles hereof have been inserted for convenience only and shall in no way modify or restrict any provisions hereof or be used to construe any such provisions.
- 12.4 If two or more persons constitute the Seller, the word "Seller" shall be construed as if it reads "Sellers" throughout this Contract.
- 12.5 This Contract shall be construed, interpreted and enforced in accordance with the laws of the State of Alabama. The parties agree and acknowledge that the only forum for any claim against Seller pursuant to this Agreement is the Alabama State Board of Adjustment.
- 12.6 This Contract may be executed in multiple counterparts, each of which shall be considered to be an original document.
- 12.7 The Effective Date shall be the date of the last execution hereof.
- 12.8 Time is of the essence hereof.
- 12.9 Any condition or right of termination, cancellation or rescission granted by this Contract to Seller or Buyer may be waived by such party provided such waiver is in writing.
- 12.10 If the time period or date by which any right, option or election provided under this Contract must be exercised, or by which any act required hereunder must be performed, or by which the closing must be held, expires or occurs on a Saturday, Sunday, or legal or bank holiday, then such time period or date shall be automatically extended through the close of business on the next regularly scheduled business day.

ARTICLE XIII – EARNEST MONEY

- 13.1 Buyer deposits One Thousand Five Hundred Dollars (\$1,500.00) as earnest money to be deposited immediately by the Seller Broker upon acceptance of this offer and to be applied against the purchase price at closing. If the offer/counteroffer is not

accepted, the earnest money shall be returned to Buyer without Seller's signature. If for any reason the transaction is not consummated or if there is a disagreement involving to whom the earnest money should be disbursed, Broker is required by law to obtain a written agreement signed by Buyer and Seller before disbursement of earnest money. If such written agreement signed by Buyer and Seller cannot be obtained, Broker may interplead such funds into court, with Broker's attorney's fees and costs for the interpleader action to be deducted therefrom. In the event of Buyer's default, Seller may elect to retain such deposit as liquidated damages or as part payment of the purchase price and pursue Seller's available remedies against the Buyer. In the event of Seller's default, buyer may pursue available remedies against the Seller.

ARTICLE XIV - ACCEPTANCE

14.1 In the event this Contract is not signed simultaneously by both parties, it shall be considered to be an offer made by the party first executing it. In such event this offer shall expire at midnight Central Daylight Time on the third business day following the offer unless one copy of this Contract, executed by the party to whom this offer had been made, shall have been mailed (in accordance with Article X hereof) or personally delivered to the party making the offer.

ARTICLE XV - COMMISSIONS

15.1 Any commissions due to Buyer's agent associated with sale of the Property shall be governed by a signed separate commission co-brokerage agreement between Seller's agent and Buyer's agent.

ARTICLE XVI - AGENCY DISCLOSURE

The listing company LLB&B Inc. Real Estate is:
(Two blocks may be checked)

- An agent of the seller.
- An agent of the buyer.
- An agent of both the seller and the buyer and is acting as a limited consensual dual agent.
- Assisting the ___ buyer ___ seller as a transaction broker.

SELLER(S) INITIALS ML _____

The selling company, USA Properties is:
(Two blocks may be checked)

- An agent of the seller.
- An agent of the buyer.
- An agent of both the seller and the buyer and is acting as a limited consensual dual agent.
- Assisting the ___ buyer ___ seller as a transaction broker.

BUYER(S) INITIALS MA _____

IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the day and year first above written.

BUYER:

Robert K. Davis
University of South Alabama, an Alabama
public body corporate
Robert K. Davis
Print Name
Unit Trust
Title
12/14/15
Date

SELLER:

Edward D. Cornell
Edward D. Cornell
EDWARD D. CORNELL
Print Name

Title
12/09/15
Date

12/21/15 * Countered - see Ackdem 2

CO-BROKERAGE AGREEMENT

THIS COMMISSION CO-BROKERAGE AGREEMENT ("Agreement") is made and entered into this 15th day of December, 2015 (the "Effective Date"), by and between LLB&B Inc. Real Estate, whose address is 3315-A Old Shell Rd., Mobile, AL 36607 ("Listing Broker"), and USA Properties, whose address is 775 N. University Blvd., Mobile, AL 36608 ("Cooperating Broker"), in the manner following:

1. PURPOSE AND AGENCY

Listing Broker has listed a certain property known as:

*PROPOSED LOT 3 of BEG SW COR LOT 8 BLK 1 MARSTON PL DBK 156/403 RUN N 29 DEG 07 MIN W
ALG W/L OF LOT 8 DIS OF 322.5 FT TH N 89 DEG 45 MIN E ALG S/S OF 20 FT LN 180 FT TH S 48.4 FT
TH E 46.5 FT TH N*

(the "Listed Property"). The parties acknowledge that Listing Broker represents the Seller or Landlord. Cooperating Broker has a prospective buyer/tenant interested in the Listed Property and is acting in the transaction contemplated as Exclusive Agent of the Buyer/Tenant.

2. COMMISSION SPLIT

Listing Broker agrees to pay Cooperating Broker a brokerage commission equivalent to 2.2% of the total commission earned, providing the sale/lease transaction of the Listed Property closes as contemplated with Cooperating Broker's client identified as University of South Alabama, whom Cooperating Broker is representing in the capacity indicated in Section 1 above; and provided Broker's client pays the commission due Broker under its agreement with its client. Cooperating Broker acknowledges that the payment or division of commissions does not affect or change the agency relationships between the parties and the division of commission referenced in Section 2 above is solely for economic adjustment purposes.

3. PAYMENT

All co-brokered commissions due Cooperating Broker under the terms and conditions of this Agreement will be paid at closing by the title company from the proceeds of the sale. The parties understand that this Agreement has been entered into solely for the purpose of dividing fees.

4. MODIFICATION OF AGREEMENT


No modification of any of the terms of this Agreement shall be valid or binding upon the parties unless said modification is in writing and signed by the parties.


5. BINDING OF PARTIES

This Agreement shall not be binding upon Listing Broker without Cooperating Broker's signed Acceptance. THE PARTIES HEREBY ACKNOWLEDGE that as of the Effective Date, they have willingly executed and entered into this Agreement as written. Listing Broker further acknowledges that its client has also been provided with a copy of this Agreement.

LISTING BROKER:


COOPERATING BROKER:

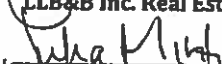


USA Properties


Print Name
12/15/15

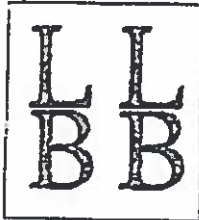
Date



LLB&B Inc. Real Estate


Print Name
12/29/15

Date



PURCHASE AGREEMENT ADDENDUM# 1

This Addendum is to be attached and made part of the Purchase Agreement

DATED: December 15, 2015

PROPERTY LOCATION: 0 Hextley Lane

BETWEEN: (PURCHASER) The University of South Alabama

AND: (SELLER) Edward D. and Teresa R. Cornell

Sellers to respond to this offer no later than December 31, 2015, at 5:00pm.

Ed Cornell
SELLER

Robert H. Dennis
BUYER

SELLER

BUYER

12/17/15
DATE

12/18/15
DATE



PURCHASE AGREEMENT ADDENDUM# 2

This Addendum is to be attached and made part of the Purchase Agreement

DATED: December 15, 2015

PROPERTY LOCATION: 0 Bexley Lane

BETWEEN: (PURCHASER) The University of South Alabama

AND: (SELLER) Edward D. and Teresa R. Cornell

In the event any provisions of this addendum conflict in whole or in any part with the terms of the contract, the provisions of this addendum will control. All other provisions of the contract are to remain the same.

1. Purchase price to be \$195,000.
2. Proper legal description of this parcel will be determined upon completion of survey and planning approval process.
3. Closing to take place at Guarantee Title 30 days following the City's approval of the subdivision but no later than March 15, 2016.
4. This sale is subject to Bank approval of release of this parcel from the existing mortgage to Sellers' satisfaction.
5. Sellers will provide Owners' Title Policy, prepared by Guarantee Title.

This counter offer shall expire on Monday January 4, 2016
at 5:00 p.m.

E.D. Cornell 12/29/15 Robert H. Davis
SELLER BUYER

SELLER _____

BUYER _____

DATE _____

1/4/16
DATE _____

\$ 01/04/16

COUNTERED - PLEASE ADDENDUM# 3

UNIVERSITY OF SOUTH ALABAMA

USA INDEPENDENCE



779 N. UNIVERSITY BLVD. SUITE 120
MOBILE, ALABAMA 36688-4174
TELEPHONE: (251) 462-6154
FAX: (251) 462-1462

PURCHASE AGREEMENT ADDENDUM #3

1840

This addendum is to be part of and incorporated into the Real Estate Purchase Contract dated December 29, 2015 between University of South Alabama ("Buyer") and Edward D. and Teresa R. Cornell ("Seller") and relating to the Property described as 0 Bexley Lane.

In the event any provisions of this Addendum conflict in whole or in any part with the terms of the above referenced Real Estate Purchase Contract, the provisions of this Addendum will control. All other provisions of the contract are to remain the same.

- 1. The purchase price shall be \$175,000.00.
- 2. All other terms are acceptable.

This counteroffer shall expire Friday, January 8, 2016 at 3:00pm

Countered. See Addendum #4 for changes.

SELLER:

BUYER:

Edward D. and Teresa R. Cornell
Edward D. and Teresa R. Cornell

Robert K. Davis
University of South Alabama

1/1/16
Date

1/4/16
Date



PURCHASE AGREEMENT ADDENDUM # 4

This Addendum is to be attached and made part of the Purchase Agreement

DATED: DECEMBER 15, 2015

PROPERTY LOCATION: 0 BEXLEY LANE

BETWEEN: (PURCHASER) THE UNIVERSITY OF SOUTH ALABAMA

AND: (SELLER) EDWARD D. AND TERESA R. CORNELL

In the event any provisions of this addendum conflict in whole or in any part with the terms of the contract, the provisions of this addendum will control. All other provisions of the contract are to remain the same.

Sales price to be \$185,000.

This Addendum shall expire on January 8, 2016 at 5 pm if not accepted in writing.

The above Addendum is hereby accepted rejected as per attached Addendum # _____

ACCEPTED BY:

[Signature]
SELLER

[Signature: Robert K. Davis]
BUYER

SELLER

BUYER

DATE

1/7/16
DATE



South Alabama Board of Trustees. Upon full receipt of Title Insurance and Appraisal, Buyer shall have thirty (30) days in which to obtain approval of the University of South Alabama Board of Trustees. Should the approval be denied, the Buyer may, at Buyer's sole option, declare this offer null and void, and Buyer shall be entitled to the return of all deposits. Thereafter, neither the Buyer, the Seller, nor any brokers shall have any further rights, obligations, or liabilities under this contract.

9.2 Seller's obligation to close this transaction is subject to the following conditions and covenants:

- (a) **Survey.** Seller shall provide to Buyer, at Seller's sole cost, a certified ALTA survey, being a legal description, made by a licensed surveyor, showing the area, dimensions and location of the Property to the nearest monuments, streets, alleys or property, the location of all improvements, utilities and encroachments, the location of all proposed and recorded easements against or appurtenant to the Property. If a survey is obtained and discloses any condition rendering the Property unusable, in Buyer's sole judgment, for the intended purpose of Buyer, Buyer may terminate this Contract for Purchase with no penalty.
- (b) **Title Insurance.** Seller shall provide Buyer a satisfactory title insurance commitment or preliminary title report in accordance with Article V above.
- (c) **Subdivision.** Seller to obtain approval from the Planning Commission or Planning and Zoning Commission having jurisdiction over the Property to divide the Property into the real estate proposed for purchase. Seller shall make application to said Commission at Seller's sole expense within fourteen (14) days from the Date of Acceptance and shall diligently pursue such application.

In the event Seller has not obtained the above described approval to subdivide within sixty (60) days of the date of this Agreement; or said Commission denies such application; or fails to grant permission to subdivide the Property into at least the proposed real estate contemplated for purchase set forth in this contract, Buyer may, upon written notice to the other, terminate this Agreement in which event all deposit sums shall be returned to the Buyer.

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

ARTICLE X - NOTICES

- 10.1 Unless otherwise provided herein, all notices shall be in writing and shall be deemed effective upon the earlier of either: (i) personal delivery or (ii) deposit in the U.S. Mail, marked Certified or Registered, return receipt requested, with postage prepaid to Seller at "Seller's Address", and to Buyer at "Buyer's Address".

Seller's Address:
University of South Alabama
c/o USA Properties
775 N. University Blvd., Suite 150
Mobile, AL 36608

Buyer's Address:
B. D. Powell
2216 Highway 90
Mobile, AL 36608

ARTICLE XI - REPRESENTATIONS AND WARRANTIES

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



UNIVERSITY OF SOUTH ALABAMA

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

PROPERTY ADDRESS:

+/- 76,500 square feet located on the NWC of Courthouse Dr. and Fairhope Ave.
Fairhope, Alabama 36532

APPRAISAL INFORMATION:

Appraised By: Madeleine L. Downing of Gaylord C. Lyon & Co., Inc.
Date of Appraisal: June 2, 2015
Appraised Value: \$15.00/psf or \$1,148,000

CONTRACTS RELATED TO THE PURCHASE:

Attached as "Exhibit #1"

PURCHASE TERMS:

Cash Purchase

SOURCES OF FUNDS USED IN THE PURCHASE:

Bank Financing

USA PROPERTIES

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

STATE OF ALABAMA)

BALDWIN COUNTY)

REAL ESTATE OPTION AGREEMENT

THIS AGREEMENT made this 1TH day of May, 2015, by and between A&A Corte Family Limited Partnership, an Alabama Limited Partnership and the owner of a fifty percent (50%) undivided interest in the Property (as hereinafter described) and A&D Corte Family Limited Partnership, an Alabama Limited partnership and the owner of a fifty percent (50%) undivided interest in the Property (collectively, the "Sellers" and individually, the "Seller"), and the UNIVERSITY OF SOUTH ALABAMA, a public body corporate of the state of Alabama (the "Purchaser").

WHEREAS, Sellers are the owner of a certain parcel of real estate situated in Baldwin County, Alabama, located on the north side of Fairhope Avenue containing approximately one and 64/100ths (1.64) acres of land, as graphically described on Exhibit "A" hereto, and to be more particularly described in the survey discussed in Section 4.2 hereof (the "Property"); and,

WHEREAS, Purchaser desires to acquire from Sellers an option to purchase the Property on the terms hereinafter set forth;

NOW, THEREFORE, in consideration of the premises, the mutual covenants and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1.0 Option.

1.1 Purchaser shall have the exclusive right and option to acquire the Property from Sellers for the period ending six (6) months following the Effective Date hereof (as hereinafter defined) (the "Option"). Provided, however, in the event Purchaser enters into a real estate option agreement, or like agreement, in connection with any other real property located in the City of Fairhope, Alabama ("Secondary Option"), Sellers shall have the right, in their sole and absolute discretion, to terminate this Agreement. Purchaser shall notify Sellers within one (1) business day of entering into a Secondary Option.

1.2 Purchaser may exercise its right to buy and acquire the Property at any time during the Option, by delivering notice of such exercise to Sellers in accordance with Section 1.3 hereof. Purchaser's exercise of its right to buy and acquire the Property shall constitute full and complete satisfaction of the conditions contained in Section 5.0 hereof.

1.3 In the event that Purchaser does not exercise its right to buy and acquire the Property, in consideration hereof, Purchaser shall pay to Sellers the sum of Ten and no 100

Dollars (\$10.00), and deliver to Sellers copies of the product of its investigation of the Property, to include all surveys, engineering and approvals, if any. Sellers shall be entitled to retain ownership of all such deliverables free from and against any claim, demand or cause of action related to the work of any such agent, contractor or subcontractor on, or in connection with the Property. Upon such delivery, this Agreement shall terminate without further obligation of the parties to one another.

2.0 Purchase Price.

2.1 The "Purchase Price" of the Property shall be an amount equal to the products of (a) fifteen and no/100 Dollars (\$15.00), multiplied by (b) the square feet of land comprising the Property, as set forth in the survey described in Section 4.2 hereof.

2.2 The Purchase Price shall be paid to the Sellers in cash or by cashier's check at Closing.

3.0 Closing.

3.1 The "Closing" of the transaction contemplated hereby shall occur thirty (30) days after Purchaser's delivery of its notice of exercise of the Option; provided however, Sellers shall have the right to extend the Closing until January 4, 2016, by delivering their joint notice of such extension to Purchaser within ten (10) days of Purchaser's exercise of the Option, and otherwise in accordance with Section 13 hereof.

3.2 The Closing shall occur at the offices of the title company identified by Sellers to Purchaser, or such other location as may be agreed to in writing by Purchaser and Sellers. At Closing, Sellers shall convey the Property to Purchaser by statutory warranty deed with standard covenants of title contained in a statutory warranty deed, subject only to exceptions approved by Purchaser in writing. Sellers further agree to deliver at Closing such other documentation and information as may be required by Data Quick, the "Title Company" identified by Sellers.

3.3 Sellers shall surrender possession of the Property to Purchaser at Closing.

4.0 Title Insurance and Survey. No later than five (5) days, of the Effective Date, Sellers shall order a title insurance commitment to be issued by the Title Company no later than twenty-five (25) days of the Effective Date. Purchaser shall obtain a survey of the Property in accordance herewith. In the event that either the title insurance commitment or the survey reveals matters objectionable to Purchaser, Sellers, in Sellers' sole and absolute discretion, shall have the option, but not the obligation, to cause such matters to be cured prior to Closing.

4.1 The title insurance commitment shall be issued to Purchaser, committing to insure good and marketable fee simple title to the Property in the amount of the Purchase Price, insuring over all printed exceptions, and including affirmative coverage over the gap

period between the effective date thereof and the Closing, zoning and access to Fairhope Avenue from and to the Property at a location acceptable to Purchaser, and subject only to those exceptions as are approved in writing by Purchaser.

4.2 The survey shall be prepared by Preble-Rish, Inc., provided that the proposed fees of Preble-Rish, Inc. are comparable to local firms providing similar services and shall (i) locate all easements of record affecting the Property, (ii) set forth the acreage and square footage of the Property, (iii) include a metes and bounds description of the Property, (iv) disclose that no portion of the Property constitutes "wetlands" within the jurisdiction of the U.S. Army Corps of Engineers or applicable authority of the State of Alabama, (v) provide that no portion of the Property is located within a flood plain, flood prone area or special flood hazard area as indicated on any map or plats issued or, controlled by FEMA, the Federal Insurance Association, or any federal, state or local agency, (vi) disclose all encroachments on or from the Property, (vii) locate all improvements existing on the Property, and (viii) be certified to the Purchaser and the Title Company. The survey shall commence no later than five (5) days of the date, upon which Purchaser receives notice, in any form, that the Property will satisfy the appraisal requirement contained in Section 5.12 hereof, and shall be completed no later than thirty (30) days from Commencement thereof.

5.0 Conditions. Sellers understand that Purchaser will not be able to use the Property unless certain conditions or facts are satisfied or verified during the Option and continue to exist at Closing. Those facts and conditions are:

5.1 That potable water, gravity-fed sanitary sewer, gas, electricity, telephone, cable television and other utilities exist at the boundary of the Property, with sufficient capacity (and, with regard to sanitary sewer, sufficient depth) to provide timely service to a medical clinic and related offices and facilities within the Property;

5.2 That federal, state or local laws or regulations regarding the retention, detention or treatment of stormwater on the Property as a condition to its development do not, in the sole and exclusive discretion of Purchaser, impede the use of the Property as a medical clinic and related parking or other impervious surfaces;

5.3 That Purchaser will be able to obtain all permits necessary from applicable federal, state and local authorities for ingress and egress to the Property from Fairhope Avenue;

5.4 That the Property will be zoned or approved to permit the development of not less than a single story, ten thousand (10,000) square foot medical clinic thereon;

5.5 That Purchaser's development plans for the Property will have been accepted and approved by all relevant federal, state and local agencies or authorities claiming to have jurisdiction over any aspect of such development;

5.6 That Purchaser shall be able to procure from all relevant governmental agencies or authorities, for the usual and customary fees, all permits necessary for the development and construction of its contemplated development on the Property;

5.7 That Purchaser's soil tests, borings and civil engineering studies confirm that the Property is suitable for Purchaser's contemplated development thereon, on an economically feasible basis and without the necessity of excavating unsuitable soils or importing structural fill material; and,

5.8 That there does not exist, nor has there existed, over, beneath or on the Property, any hazardous substance, pollutants or contaminants, as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"), or hazardous waste as defined by the Resource Conservation and Recovery Act, as amended ("RCRA"), or other similar applicable federal or state laws or regulations.

5.9 That there exists on the Property no fish or wildlife protected as endangered species, or items of archaeological significance, as described under applicable laws, regulations or other promulgations and as administered by any agency or authority that may claim jurisdiction over the Property.

5.10 That the exercise of this Option and purchase of the Property be approved by the Board of Trustees of the University of South Alabama. This Option shall be submitted to the Board of Trustees of the University of South Alabama for consideration at its next meeting immediately following the Effective Date.

5.11 That no other impediment exists which would prevent Purchaser from utilizing the Property for Purchaser's intended use.

5.12 That the Property shall appraise at an amount that equals or exceeds fifteen and no/100 Dollars (\$15.00) per square feet. Said appraisal shall be ordered by Purchaser no later than five (5) days following the Effective Date and shall be completed no later than forty-five (45) days of the Effective Date.

6.0 Sellers' Further Agreements.

6.1 Sellers shall cooperate fully with Purchaser's pursuit of the satisfaction of the conditions set forth in Section 5, above, including Sellers' written consent to any development or land use applications or approvals as may be requested by any agency or authority claiming jurisdiction over any aspect of development of the Property. Provided, however, Sellers shall not be required to authorize any final action which would permanently change, alter or amend the nature, use or designation of Property, including, without limitation, a change of the zoning or subdivision of the Property.

6.2 Purchaser, at its sole expense, shall be responsible for the extension of the utilities described in Section 5.1 hereof to the Property. Additionally, Purchaser shall be

responsible for all related cost and expense, including, without limitation, tap-on fees, security deposits and charges for utilities used.

7.0 Sellers Representations and Warranties. Each Seller hereby represents and warrants (and Sellers' satisfaction of each such representation and warranty shall be a condition precedent to Closing) as follows:

- a. Sellers are the sole owner of the Property;
- b. The Property is not the subject of any outstanding agreement with any party pursuant to which any such party may acquire an interest therein;
- c. Sellers have received no notice of taking or condemnation, actual or proposed, with respect to the Property;
- d. Between the date hereof and Closing, Sellers shall not sell, transfer, convey, option or mortgage the Property, or any part thereof, or take any other action, or permit any action to be taken by any other person, that might affect title to the Property or otherwise impair the value of the Property to Purchaser;
- e. Sellers have all requisite power and authority to execute and deliver this Agreement and carry out their respective obligations hereunder and the transactions contemplated hereby. This Agreement has been, and the documents contemplated hereby will be, duly executed and delivered by Sellers and constitutes Sellers' legal, valid and binding obligation enforceable against each Seller in accordance with its terms. The consummation by Sellers of the sale of the Property is not in violation of or in conflict with nor does it constitute a default under the terms or provisions of any agreement or instrument to which either Seller is a party, or by which such Seller is bound, or of any provision of applicable law, ordinance, rule or regulation of any governmental authority or of any provision of any applicable order, judgment, or decree of any court, arbitrator or governmental authority;
- f. No default or breach exists under any document, covenant, condition, restriction, right-of-way or easement affecting the Property or any appurtenance thereto;
- g. There is no litigation or proceeding pending or threatened against either Seller which relates to the Property, nor have Sellers received notice of any violation of any law, ordinance, order or regulation against or affecting the Property;
- h. All general real estate and ad valorem taxes assessed or imposed against the Property will have been paid prior to Closing (excepting only ad valorem taxes for the year in which Closing occurs that have not been billed prior to Closing), and Sellers shall furnish evidence of such payment to Purchaser and the Title Company;

i. The Property is zoned B-2 in accordance with the Zoning Ordinance of the City of Fairhope, Alabama.

j. Sellers have not caused there to exist, nor to the best of Sellers' knowledge does there exist, over, beneath or on the Property any hazardous substance, pollutants or contaminants, as defined by CERCLA, or hazardous waste as defined by RCRA, or other similar applicable federal or state laws and regulations; and,

k. Sellers are able to convey title to the Property in fee simple, good and marketable of record, and, in fact, free and clear of any and all liens, conditional sales agreements, covenants, conditions, mortgages, security interest, leases, restrictions, options, claims, unrecorded easements or servitudes or other encumbrances or exceptions of any kind, other than those expressly approved in writing by Purchaser; provided however, Sellers shall retain all rights owned by them to oil, gas or minerals existing under the Property. Notwithstanding the foregoing, title to the Property shall not at Closing be subject to the rights of any third parties to enter upon the surface of the Property in connection with any reserved rights or to enter upon the subsurface of the Property in any manner that could or would compromise the structural integrity of any improvements to be constructed on the Property.

All of the foregoing representations and warranties shall be deemed to be true as of the Effective Date and, as a condition of Closing, shall be true on the Closing date. In the event that any of the foregoing representations or warranties should not be true during the period commencing on the Effective Date and ending on the Closing date, Sellers, in Sellers' sole and absolute discretion, shall have the option, but not the obligation, to cause such matters to be cured prior to Closing.

8.0 Development of the Property:

8.1 Purchaser agrees that the architectural design of development of the Property shall be subject to review and approval by Seller for substantial conformity with the design and exterior building materials of other developed property in the vicinity. No later than one hundred and twenty (120) days following the Effective Date hereof, Purchaser shall provide Sellers with renderings of proposed construction (the "Improvements") as well as a list of potential exterior building materials from which Purchaser shall choose for construction, (hereinafter collectively referred to as the "Design Elements"). Seller shall review Purchaser's submissions for conformity with nearby developments on other property formerly owned by Sellers, including the Shoppes at Fairhope Village and the Fairhope Satellite Courthouse located at 1100 Fairhope Avenue. It is understood and agreed that the Improvements shall be designed so that each façade receives equal articulation and that no exterior elevation is considered secondary to any other, subject to necessary exceptions for service or delivery areas. Sellers shall respond to Purchaser's submission within thirty (30) days after receipt of any such request. If Sellers do not approve the submission, the response will include an explanation of the reason(s) for the disapproval. Once an item had been reviewed and approved by Sellers in accordance herewith, the improvements related thereto shall be constructed by Purchaser in a timely manner as required by Section 8.2, below, and

that said construction shall be pursuant to and substantially in accordance with the approved Design Elements. Purchaser shall not substantially modify or deviate from any approved Design Elements without the prior written authorization of Sellers. Purchaser agrees that the landscaping of the Property shall be commensurate with that of other properties in the vicinity.

8.2 Purchaser acknowledges and agrees that a material component of the consideration received by Sellers for this Agreement is Purchaser's timely construction of the Improvements. In furtherance thereof, Purchaser covenants and agrees as follows:

(a) Purchaser shall commence construction of the Improvements within twelve (12) months of Closing; and

(b) Purchaser shall diligently pursue said construction and will complete construction of the Improvements in a timely manner.

PROVIDED HOWEVER, such time obligation shall be extended for delays caused by war, acts of terror, weather, fire, or other acts of God. Purchaser shall notify Sellers in writing of any delays caused by such and diligently pursue completion of the project in a timely manner.

9.0 Proration of State, County and City Ad Valorem Taxes. All city, state and county ad valorem taxes on the Property for the calendar year in which the Closing date occurs shall be prorated between the Sellers and the Purchaser as of such Closing date on the basis of the most recent ascertainable taxes for the Property and promptly re-prorated upon the issuance of final tax billings. Notwithstanding the foregoing, Purchaser shall be responsible for all taxes levied, imposed or assessed after Closing and shall be responsible for any real property taxes or assessments resulting from any change or proposed change in the use, classification or zoning of the Property (i.e., "roll-back taxes"), regardless of when levied or assessed.

10.0 Costs and Fees. Sellers shall be responsible for the cost of the title insurance described in Section 4.1. above and for the costs associated with preparation of the deed. Purchaser shall be responsible for all other costs associated with its investigation of the Property and all other costs associated with the consummation of the transaction contemplated hereby. Each party shall be responsible for its own attorney's fees.

11.0 Access.

11.1 Between the date hereof and until the transactions contemplated hereby have been consummated, Purchaser and Purchaser's agents and employees shall have the right to enter onto the Property for the purpose of inspecting same, and making soil tests, engineering studies and surveys; provided, however, that such activities shall not physically damage the Property.

11.2 Purchaser shall restore the Property to its original condition after any and all inspections.

11.3 To the maximum extent permitted under Alabama law, Purchaser hereby indemnifies, protects, defends and holds Sellers and the Property free and harmless from and against any and all costs, losses, liabilities, damages, lawsuits, judgments, actions, proceedings, penalties, demands, attorneys' fees, mechanic's liens, or expenses of any kind or nature whatsoever, arising out of or resulting from (i) any entry and/or activities upon the Property by Purchaser, Purchaser's agents, contractors and/or subcontractors, and/or the contractors and subcontractors of such agents, or (ii) from the enforcement of this agreement of indemnity or the assertion by Purchaser of any defense to its obligations hereunder: provided that in no event shall Purchaser have to indemnify Sellers for Purchaser's mere discovery of any pre-existing adverse condition at the Property.

11.4 Prior to any entry upon the Property by Purchaser's agents, contractors, subcontractors or employees, Purchaser shall deliver to Sellers documentation which evidences that Purchaser is self-insured for purposes of commercial general liability with a per occurrence limit of at least ONE MILLION AND NO/100 DOLLARS (\$1,000,000.00).

12.0 Design and Engineering Services. Purchaser will utilize the firm(s) of its own choosing to provide design and engineering services in connection with the development of the Property.

13.0 Notices. All notices or requests required or authorized hereunder shall be in writing and shall be delivered or mailed to the respective parties hereto as follows (unless notified in writing to the contrary of a change in such address):

To Seller:

Mr. Angelo A. Corte
A&A Corte Family Limited Partnership
23100 State Hwy 181
Fairhope, AL 36532
(251) 421-2031
aacorte@ymail.com

Mr. Angelo A. Corte
A&D Corte Family Limited Partnership
23100 State Hwy 181
Fairhope, AL 36532
(251) 421-2031
aacorte@ymail.com

To Purchaser:

Dr. Michael Finan
USA Mitchell Cancer Institute
1660 Springhill Avenue
Mobile, Alabama 36604
(251) 445-9840
mfinan@health.southalabama.edu

With a copy to:

Mr. James E. Spafford
MBI, LLC
Suite 301
3800 Airport Boulevard
Mobile, Alabama 36608
jes3800@aol.com

The effective date of any such notice served by recognized overnight carrier or U.S. mail shall be the date of deposit therewith. If the last day on which to give such notice falls

on a Saturday, Sunday or holiday, then such notice may be given in the above manner on the next succeeding business day.

14.0 1031 Exchange. At no additional expense to Purchaser. Sellers shall have the right to transact the purchase herein as part of a like-kind exchange under IRC Code Section 1031 or related provisions.

15.0 Brokerage Commission. Purchaser and Sellers represent each to the other that, excepting NAI Mobile, LLC and Jim Spafford of MBI, LLC, who shall be paid solely by Purchaser to the extent that any commission is paid, no real estate broker, real estate agent or intermediary has been employed by either of them in connection with the transactions contemplated herein. To the extent allowed by law, Purchaser and Sellers shall indemnify and hold the other harmless from and against the claims of any and all brokers, agents and other intermediaries claiming to have had any dealings, negotiations or consultations with the indemnifying party in connection with this Agreement or the sale of such Property by Sellers to Purchaser.

16.0 Binding Effect. This Agreement shall inure to the benefit of, and shall be binding upon, each of the parties hereto, and their respective heirs, successors and assigns.

17.0 Survival. Each and every provision of this Agreement shall survive the Closing and shall not be merged, nullified or otherwise affected by such Closing.

18.0 Time of the Essence. Time is of the essence as to all matters covered in this Agreement.

19.0 Assignment. Subject to Sellers' approval. Purchaser shall have the right to assign its rights hereunder to any entity with which it is affiliated and, upon such assignment, Sellers shall deal exclusively with such assignee.

20.0 Entire Agreement. This Agreement and the documents referred to in this Agreement, constitute the entire agreement between the parties, and there are no other conditions, covenants or agreements which shall be binding between the parties. This Agreement may not be modified or amended unless such amendment is set forth in a writing that is signed by each of the parties hereto.

21.0 Governing Law. This Agreement shall be governed by and shall be interpreted in accordance with the laws of the State of Alabama. Seller recognizes that the Alabama Board of Adjustment has jurisdiction over certain claims which may arise out of this Agreement. Claims which are not within the purview of the ABA will be brought in the applicable court of competent jurisdiction.

22.0 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute the same Agreement.

23.0 Calendar Days. Unless otherwise expressly designated, all references to "days" herein shall mean calendar days. In the event any date described in this Agreement relative to the performance of actions hereunder by Purchaser or Sellers falls on a Saturday, Sunday or legal holiday, such date shall be deemed postponed until the next business day thereafter.

24.0 Effective Date. This Agreement shall be effective only if executed and delivered by all parties hereto on or before May 7th, 2015 (the "Effective Date").

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officer or agent as of the day and year first above written.

SELLERS:

PURCHASER:

A&A Corte Family Limited Partnership

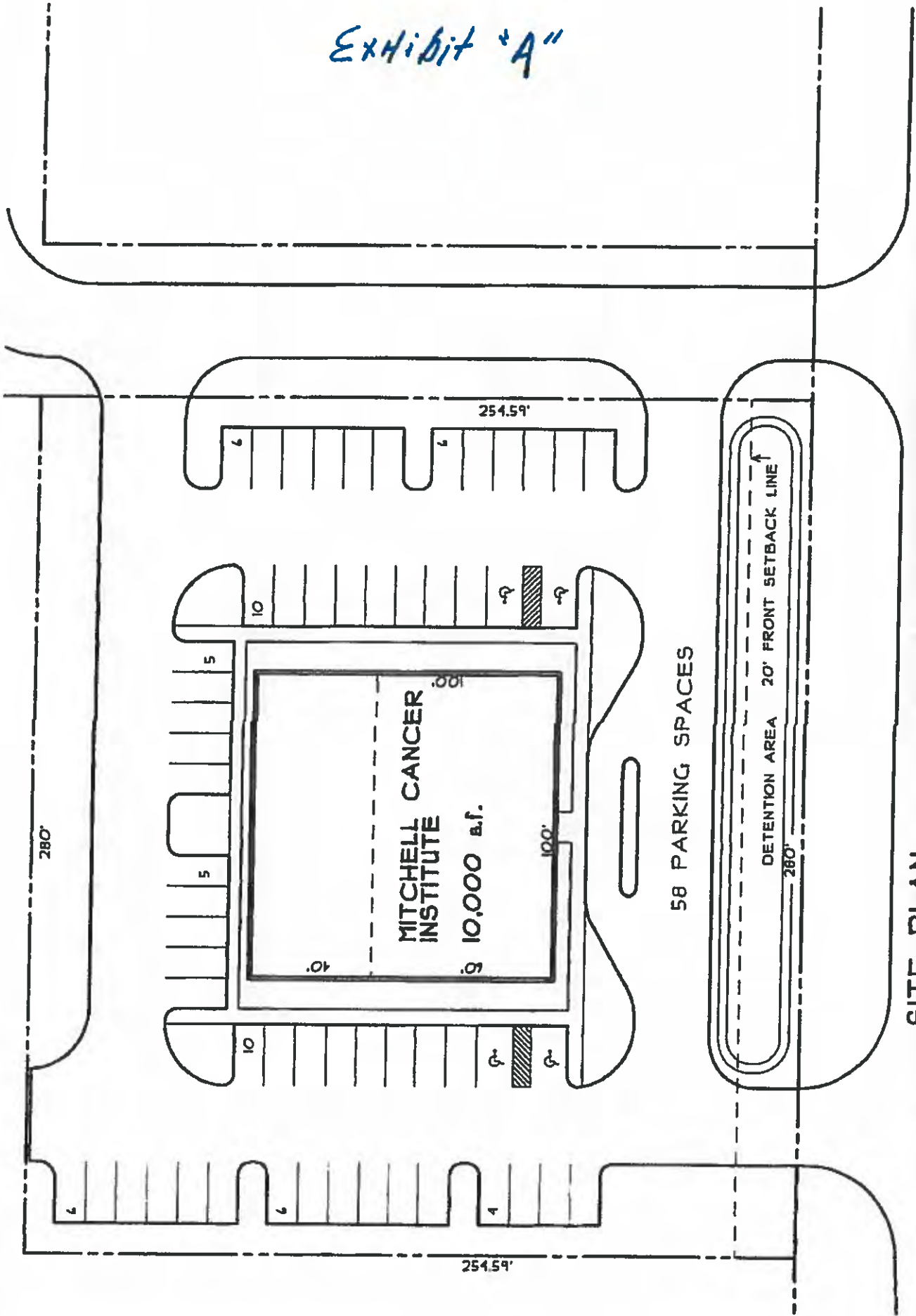
University of South Alabama

A. & A. Corte Family Limited Partnership
By: *Angelo A. Corte* Partnership By: *Steve Simmons*
Its: GENERAL PARTNER Its: Vice President for Finance
and Administration

A&D Corte Family Limited Partnership

A. & D. Corte Family Limited Partnership
By: *Angelo A. Corte*
Its: GENERAL PARTNER

EXHIBIT "A"



SITE PLAN
SCALE 1" = 40'-0"
FAIRHOPE AVENUE (HWY #48)
Area=1.64 acres MCI site

Addendum to
Real Estate Option Agreement

The undersigned parties, A&A Corte Family Limited Partnership, A&D Corte Family Limited Partnership and University of South Alabama, hereby agree that the "Property" as such term is used in the Real Estate Option Agreement between the parties dated May 7, 2015 is a parcel consisting of 1.75 acre, more or less, as reflected on Exhibit "A," as attached hereto. The Purchase Price of the Property shall be calculated in accordance with Section 2.1 of the Real Estate Option Agreement.

A&A Corte Family Limited Partnership

University of South Alabama

<u>A & A Corte Family Limited Partnership</u>	<u>Steve Simmons</u>
By: <u>Angelito P. Corte</u>	By: Steve Simmons
Its: <u>General Partner</u>	Its: Vice President for Finance and Administration
Date: <u>06-12-15</u>	Date: <u>5-29-15</u>

A&D Corte Family Limited Partnership

<u>A & D Corte Family Limited Partnership</u>
By: <u>Angelito P. Corte</u>
Its: <u>General Partner</u>
Date: <u>06-12-15</u>

ADDENDUM TO CONTRACT

Property: Lot 1A of the Resubdivision of Lot 1 of Planters Plaza Subdivision

Sellers: A & D Corte Family Limited Partnership and A & A Corte Family Limited Partnership

Buyer: University of South Alabama, a public body corporate of the State of Alabama

Contract /Option is herein amended as follows:

-Sales price is \$ 1,147,485.00

-Property being conveyed is Lot 1A of the Resubdivision of Lot 1 of Planters Plaza Subdivision, Baldwin County, Al

-No real estate commission owed at time of closing

-Contract conditions have been satisfied

Robert K. Davis

Buyer

Angelo A. Corte

Seller

Billy Ann Bayett

Witness

Dated: Nov 10, 2015



UNIVERSITY OF SOUTH ALABAMA

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

PROPERTY ADDRESS:

207 North Catherine Street
Mobile, Alabama 36604

APPRAISAL INFORMATION:

Appraised By: Jefferson L. Sims & Madeleine L. Downing
Gaylord C. Lyon & Co., Inc.
Date of Appraisal: August 27, 2013
Appraised Value: \$2,600,000

CONTRACTS RELATED TO THE PURCHASE:

Attached as "Exhibit #1"

PURCHASE TERMS:

Cash Purchase

SOURCES OF FUNDS USED IN THE PURCHASE:

Bank Financing

USA PROPERTIES

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

**CONTRACT FOR THE SALE AND
PURCHASE OF REAL ESTATE**

The undersigned Seller agrees to sell, and the undersigned Buyer agrees to buy, the herein described property on the terms and conditions stated below:

1. PROPERTY ADDRESS AND/OR DESCRIPTION:

See Exhibit "A" attached hereto and fully incorporated herein by reference for full description (hereinafter the "Property"), being further identified as 207 N. Catherine St., Mobile, AL 36604.

2. PRICE: The purchase price for the Property shall be TWO MILLION, ONE HUNDRED EIGHTY THOUSAND, FIVE HUNDRED FORTY DOLLARS AND NO/100s (\$2,180,540.00). A credit of ONE HUNDRED FIVE THOUSAND, FIVE-HUNDRED DOLLARS AND NO/100s (\$105,500.00) from the previously agreed-upon selling price for the correction or remediation of ADA issues has been applied to the aforesaid purchase price. Buyer shall deposit Earnest Money of TEN-THOUSAND DOLLARS AND NO/100s (\$10,000.00) with a closing agent agreeable to Buyer and Seller upon execution of this contract.

3. TITLE: Buyer shall obtain a title insurance commitment on the Property from an attorney or title company agreeable to Buyer to determine if the title to the Property is merchantable. Reasonable time shall be allowed for the examination of title and the preparation of the title certificate or opinion or commitment. Should examination of title reveal defects which reasonably can be cured, the Seller, at Seller's sole and absolute discretion, may elect to cure same as expeditiously as reasonably possible, or may elect to cancel this contract and return Buyer its earnest money. Further, if the examination of title reveals title defects, Buyer shall have the option of being released from further liability under this contract with a full return of Buyer's Earnest Money or allowing Seller, if Seller elects to do so in Seller's sole discretion, at Seller's expense, a reasonable time to cure the defects as set forth in the preceding sentence and then close the sale pursuant to this contract. If there are no title defects, or Seller cures any such title defects, Seller shall execute and tender unto Buyer a Statutory Warranty Deed conveying insurable title to the Property in accordance with the terms hereof, subject only to all prior conveyances, reservations and exceptions of oil, gas and other minerals that appear of record; all rights of way and easements for public or private roadways and/or utilities now in full force and effect; zoning ordinances, restrictive covenants and/or building set back lines, if any, applicable to the above described property; current year ad valorem taxes due and payable on October 1; any portion of subject property lying within the right of way of a public road; any other matters of record affecting the above described lands; any matters not of record affecting the above described lands which would be shown on an accurate survey and inspection of the property; and any matters shown as exceptions on the title insurance commitment.

4. PROPERTY TO BE SOLD "AS IS": Buyer has already performed numerous

inspections of the Property and is familiar with the condition thereof. Buyer and Seller will do a final inspection prior to closing to make sure that all normal facility systems are operational and safe to use. In the event that all normal facility systems are not found to be operational and safe, Seller has the option of either making reasonable and requested repairs at its expense or terminating this Agreement and refunding Buyer's Earnest Money. Following inspection and any post-inspection repairs, the Property and all improvements and fixtures and equipment forming part of the Property are being sold "AS IS, WHERE IS" with no express or implied warranties of any sort, other than the roof warranty described below which will be delivered by Seller to Buyer and the warranties with respect to title which will be contained within the statutory warranty deed. IN PARTICULAR, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED.

5. **TRANSACTIONS AT CLOSING:** The following transactions shall take place at Closing:

5.1 **Deeds.** A Statutory Warranty Deed to the Property, in a form generally utilized in Mobile County, Alabama, shall be prepared by Seller's attorney and executed and delivered by Seller to Buyer.

5.2 **Recording Tax.** Buyer shall pay all recording, deed, and transfer taxes assessed against the Statutory Warranty Deed and any mortgage upon recordation under applicable law.

5.3 **Taxes.** All Ad Valorem Taxes accruing or assessed with respect to the Property for the current tax year shall be pro-rated as of the closing date, with the Seller's pro-rated portion to be credited to Buyer, who shall be responsible for payment of the current tax year ad valorem taxes. All unpaid or delinquent Ad Valorem Taxes for prior tax years shall be paid by Seller at or prior to closing.

5.4 **Mortgages and Other Liens.** All mortgages and other liens on the Property, if any, shall be paid by Seller at or prior to Closing.

5.5 **Payment.** Buyer shall pay to Seller an amount equal to the Purchase Price, plus or minus any adjustments for prepaid Earnest Money, taxes, approved expenses or otherwise as provided for in this contract.

5.6 **Closing Statement.** Buyer or Buyer's closing agent shall prepare and Seller shall execute and deliver to Buyer, for the benefit of both parties, a closing statement at closing.

5.7 **Other Documents.** Buyer or Buyer's closing agent shall prepare and Seller and Buyer shall deliver unto each other such other documents as are customary and/or necessary to complete the transaction, including a fully executed W-9.

6. **NO BROKERS:** The parties recognize that no broker, finder or other intermediary brought about the transaction described herein, and no commissions are due or payable. The parties acknowledge that Seller has worked with Jim Spafford on this transaction but no real estate commissions shall be due to Jim Spafford.

7. **NOTICES:** All notices, requests, demands, instructions, or other communications called for hereunder or contemplated hereby shall be in writing and shall be deemed to have been given (i) if mailed by registered or certified mail, return receipt requested, addressed to the parties at the addresses set forth below, two (2) days after the date of such mailing; or (ii) if personally delivered or sent by Federal Express, Express Mail or similar expedited delivery service, upon delivery to the parties at the addresses set forth below. Any party may change the address to which notices are to be given hereunder by giving notice in the manner herein provided.

Seller:
Board of Water and Sewer
Commissioners of the City of Mobile
4725-A Moffett Road
Mobile, AL 36618
Tel. No. (251) 694-3152
Attention: Charles Hyland
chyland@mawss.com

Buyer:
University of South Alabama
307 University Boulevard N.
Administration Bldg. Room 170
Mobile, AL 36688
Tel. No. (251) 414-8138
Attention: Ken Davis
kdavis@southalabama.edu

With copy to:
The Atchison Firm, P.C.
3030 Knollwood Drive
Mobile, AL 36693
Attention: Chris Arledge
Tel. No. (251) 665-7200
chris.arledge@atchisonlaw.com

With copy to:
Jim Spafford
3800 Airport Blvd., Ste. 301
Mobile, AL 36608
Tel. No. (251) 344-3800, Ext. 126
JES3800@aol.com

8. **CLOSING:** The sale is to be closed within thirty (30) days from the date of the signing of a contract for purchase and sale between USA and the City of Mobile pursuant to section 16(e) below, unless extended by mutual consent of the parties or by other terms or obligations of this contract, at a location mutually agreeable to the parties. Notwithstanding the foregoing, if said contract for purchase and sale between USA and the City of Mobile pursuant to section 16(e), below, is not executed within three (3) months from the last date of execution of this contract by a party hereto, Seller shall have the option to terminate this contract, and if such contract between USA and the City of Mobile is not executed within six (6) months from the last date of execution of this contract by a party hereto this contract shall automatically terminate, and upon such termination Buyer's earnest money shall be refunded and neither party shall have any further obligation to the other.

9. **DAMAGE BY FIRE OR OTHER HAZARD AND RISK OF LOSS:** Seller and Buyer agree that risk of loss shall remain with Seller until such time as the transaction contemplated by this contract is closed, and, prior to closing, if subject property or any improvements situated thereon are damaged by fire or other hazard covered by Seller's self-insurance, Seller shall be entitled to the self-insurance proceeds therefor. If the Property is destroyed or materially damaged by fire or other hazard prior to closing Buyer may declare the contract void and shall be entitled to the return of its Earnest Money or Buyer may elect to complete this transaction in accordance with this contract provided Seller, at Seller's option and sole discretion, has reasonably restored the Property at Seller's expense prior to closing. In the event Seller cannot or will not restore the property to the reasonable satisfaction of Buyer prior to closing then this contract shall be void and Buyer's Earnest Money shall be returned.

10. **CLOSING COSTS:** All closing costs shall be paid by Buyer, except for the following items to be paid by Seller: a) the owner's title policy, to be issued in form and content reasonably acceptable to Buyer, b) the cost of preparation of the Statutory Warranty Deed which shall be prepared by Seller's attorney, c) the termite inspection, if any, and d) any taxes and liens on the property that are not to be pro-rated pursuant to this contract.

11. **ENFORCEABILITY:** It is agreed by the parties that the amount of damages due to a breach of this contract by either party would be difficult to ascertain and/or to prove. In the event of a breach of this contract by Seller, Buyer's sole remedy shall be the return of its Earnest Money and payment to Buyer by Seller of liquidated damages in the amount of ten-thousand dollars and no/100s (\$10,000.00) to serve as compensation to Buyer for Seller's breach and not as punishment for Seller's breach, upon the payment and return of which this contract shall be null and void. In the event of a breach of this contract by Buyer, Seller shall be entitled to retain Buyer's Earnest Money as liquidated damages to serve as compensation for Buyer's breach and not as punishment for Buyer's breach, which shall be Seller's sole remedy under this contract and upon the receipt of which this contract shall be null and void.

12. **TIME OF THE ESSENCE:** Time shall be of the essence with respect to the performance by the parties of their respective obligations hereunder.

13. **WHOLE CONTRACT - NO ORAL MODIFICATIONS:** This contract is a complete integration of and supersedes any and all prior understandings, writings, proposals, representations, and/or agreements, both oral and written, between the parties to this contract or their representatives with respect to its subject matter. This contract may be amended only by written instrument executed by both parties hereto and approved by their respective Boards or Boards of Trustees.

14. **BENEFIT OF CONTRACT:** This contract shall be binding on and inure to the benefit of the parties and their respective heirs, successors and assigns; provided neither party shall assign this contract without prior written consent of the other party and any purported assignment

without such consent shall be void.

15. **GOVERNING LAW:** This contract shall be governed by and construed in accordance with the laws of the State of Alabama and it is expressly agreed and stipulated that this contract shall be deemed to have been executed and performable by all parties in Mobile County, Alabama. Any actions arising under this contract shall lie in a court of competent jurisdiction in Mobile County, Alabama.

16. **SPECIAL PROVISIONS:**

(a) Seller will provide Buyer with a copy of the current roof warranty which is still in effect on Seller's human resources building located on the Property.

(b) Seller will provide Buyer with a copy of all service contracts on the Property and, to the extent reasonable, assist Buyer with assumption of any such contracts Buyer desires to continue after closing if allowed by the terms of such contract(s).

(c) Current water and sewer service to the Property is provided by and will continue to be provided by Seller itself. The parties hereby agree that all interior water and sewer points of service, meters and backflow preventers will be moved by Seller at Seller's expense back to the property lines along the public rights-of-way along Center Street, Lambert Street and Catherine Street, as the case may be, so that all water and sewer lines within the interior of the Property shall become the property of Buyer at closing, and Seller's responsibility for maintenance and operation of same will not extend beyond the meters and points of service along the public rights-of-way. Upon execution of this Agreement Seller will begin the process of moving back the points of service, meters and backflow preventers as described above. Seller agrees to repair any damage caused by the move of the points of service, meters and backflow preventers.

(d) This contract shall not be binding until executed by both parties.

(e) Prior to the Closing, Seller will make reasonable and good faith efforts to secure the consent of the City of Mobile to allow Seller to assign the remainder of that certain 20 year lease to a strip of land referred to in said lease as "Lease Site 1" lying on the North side of the Property between the Property and St. Stephens Road to Buyer and to assist in negotiations for the City of Mobile to sell the same to Buyer. This Contract is contingent upon a purchase and sale agreement being executed between the City of Mobile and Buyer for the above referenced "Lease Site 1" prior to closing of the transaction between Buyer and Seller. Notwithstanding the foregoing, if said contract for purchase and sale between USA and the City of Mobile pursuant to this section 16(e) is not executed within three (3) months from the last date of execution of this contract by a party hereto, Seller shall have the option to terminate this contract, and if such contract between USA and the City of Mobile is not executed within six (6) months from the last date of execution of this contract by a party hereto this contract shall automatically terminate, and upon such termination Buyer's earnest money shall be refunded and neither party shall have

any further obligation to the other.

17. MISCELLANEOUS PROVISIONS:

(a) All headings herein are inserted only for convenience and ease of reference and shall not be considered in construction or interpretation of any provision of this contract.

(b) Seller and Buyer have both negotiated and are both responsible for the terms and conditions set forth in this contract. Therefore, in any construction of this contract, it shall not be construed against any party.

(c) Nothing in this contract shall be construed to create in any third party or in favor of any third party any rights, licenses, powers, privileges or remedies. Nothing in this contract shall be construed to create, impose, or give rise to any duty of a party hereto to a non-party to this contract.

(d) In no event shall either party or any of its board members, directors, trustees, officers, staff, agents, attorneys, servants or employees be liable to the other party for any indirect, special, consequential, or incidental damages or lost profits or punitive damages, arising out of or related to this contract, or to the performance of or breach of any provision hereof. Any damages, if otherwise recoverable, shall be limited to the amount of Earnest Money paid pursuant hereto.

(e) Nothing in this contract shall be construed to limit in any way any immunity or limitations on damages afforded to either party or any of its board members, directors, trustees, officers, staff, agents, attorneys, servants or employees, pursuant to federal or state constitutional, statutory, or common law, and nothing in this contract may be construed to limit any defense available to either party or any of its board members, directors, trustees, officers, staff, agents, attorneys, servants or employees at law or in equity.

(f) The provisions of this contract are severable. In the event any provision hereof is held invalid or unenforceable to any extent by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

(g) The parties' obligations under this contract are subject to, and neither party shall be liable for, delays or failure to perform caused by or due to fire, flood, water, weather events, labor disputes, power outages, civil disturbances, court rulings, or any other cause beyond the party's reasonable control.

(h) The date of this contract is deemed to be the last date of execution by a party hereto.

18. Buyer and Seller acknowledge that they have executed this contract on several counterparts each to be considered an original, that each has read and understands this contract,

and hereby acknowledges receipt of a copy of this document.

BUYER:

UNIVERSITY OF SOUTH ALABAMA

By: W.D. BBR
Its: Contract Officer
Date: 2/4/16

SELLER:

BOARD OF WATER AND SEWER
COMMISSIONERS OF THE CITY
OF MOBILE

By: Charles C. Hylton
Its: Director
Date: 2/15/16

CONVEY DEED TO:

UNIVERSITY OF SOUTH ALABAMA

EXHIBIT "A"

MAWSS Catherine St. Facility - 207 N. Catherine St.

Tract 1:

Lots 1 and 2, Mobile Area Water and Sanitary Sewer Business/Operations Site Subdivision, as per map or plat thereof recorded in Map Book 78, Page 100, of the records in the Office of the Judge of Probate of Mobile County, Alabama.

Tract 2:

Commence at the Southwest intersection of North Catherine Street and St. Stephens Road in the City of Mobile, Mobile County, Alabama, thence run South 00 degrees, 23 minutes 02 seconds East a distance of 214.12 feet to the Southeast corner of Mobile Area Water and Sanitary Sewer Business/Operations Site Subdivision, as per map or plat thereof recorded in Map Book 78, Page 100, of the records in the Office of the Judge of Probate of Mobile County, Alabama, said point being the point of beginning; thence continue Southerly along the West ROW line of North Catherine Street 321 feet, more or less, to the Northwest intersection of Center Street and North Catherine Street; thence run Northwesterly along the North ROW line of Center Street 590 feet, more or less, to the Northeast intersection of Center Street and Lambert Street; thence run Northerly along the East ROW line of Lambert Street 346, more or less, feet to the Southwest corner of said Mobile Area Water and Sanitary Sewer Business/Operations Site Subdivision; thence run Easterly and Southeasterly along the South line of said Mobile Area Water and Sanitary Sewer Business/Operations Site Subdivision 579.2 feet, more or less, to the point of beginning.

COMMITTEE MINUTES

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

HEALTH AFFAIRS COMMITTEE

**March 3, 2016
2:18 p.m.**

A meeting of the Health Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Stokes, Chair, on Thursday, March 3, 2016, at 2:18 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Scott Charlton, Bettye Maye (arr. 2:20 p.m.), Arlene Mitchell, Ken Simon and Steve Stokes.

Member Absent: Chandra Brown Stewart

Other Trustees: Tom Corcoran, Steve Furr, Ron Jenkins, Bryant Mixon, Jimmy Shumock, Mike Windom and Jim Yance.

Administration and Others: Beth Anderson, Owen Bailey, Joe Busta, Lynne Chronister, Kristin Dukes, Monica Ezell, Mike Finan, Stan Hammack, Mike Haskins, David Johnson, Traci Jones, Mike Mitchell, John Smith, Sam Strada, Tony Waldrop, Scott Weldon, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Alyssa Newton (*Vanguard*).

The meeting came to order and attendance roll was called. Dr. Stokes moved for the approval of the minutes of the meeting held on December 3, 2015. Dr. Charlton seconded and the minutes were approved unanimously.

Dr. Stokes moved for the approval of **ITEM 3**, a resolution authorizing the USA Hospitals medical staff appointments and reappointments for November and December 2015 and January 2016 (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 4, 2016). Dr. Charlton seconded and the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Stokes called for presentation of **ITEM 4**, a resolution to adopt the Declaration of Agreement for a cancer consortium between The University of Alabama at Birmingham (UAB) and the University of South Alabama. Dr. Finan talked about the collaborative history of the two institutions and he detailed the significant benefits that development of a consortium with UAB would make possible as a means for USA to more efficiently achieve designation as a comprehensive cancer center by the National Cancer Institute. On motion by Dr. Charlton, seconded by Judge Simon, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Stokes called for presentation of **ITEM 5**, a resolution authorizing the naming of the *Dr. William Jefferson Terry Operating Room* at Children's & Women's Hospital (CWH) in honor of the late Dr. Jeff Terry, a local urologist who served as a USA clinical faculty member and as staff physician at CWH. Mr. Bailey said Dr. Terry, the only practicing pediatric urologist in the region, was a well-respected member of the University community who cared deeply about the children he treated. He projected a naming ceremony would take place in April. Chairman Furr shared additional biographical information on Dr. Terry. On motion by Ms. Mitchell, seconded by Ms. Maye, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Stokes called for presentation of **ITEM 6**, a report on the activities of the Health System and the College of Medicine. Mr. Hammack introduced Ms. Traci Jones, Health System Controller, who gave an overview of the USA Health System's implementation of Cerner information system software, an undertaking coined the *unity Project*. Ms. Jones identified the key goals of the unity Project: (1) to streamline the complexities of the Health System's information systems, (2) to reduce spending, and (3) to improve operational efficiency. A chart was shown to demonstrate potential cost savings of \$4.8 million in the first seven years of use and an additional \$1.8 million saved every year thereafter. Ms. Jones said the testing phase was progressing and the staff would begin training in May for full implementation effective on July 1. Judge Simon asked about information security. Mss. Anderson and Jones agreed the unity Project would provide superior data security, as well as improved access of records by patients.

Dr. Finan provided an update on the project to construct a Mitchell Cancer Institute (MCI) medical office building in Fairhope, Alabama. An aerial photo of the land was shown, as were drawings of the facility. He said MCI services currently conducted from space rented at Thomas Hospital will relocate to the new building. He made brief remarks on the work of MCI's Executive Advisory Board and shared enthusiasm for the Health Systems new information system.

Discussion took place about advertising of services and clinical trials under way.

There being no further business, the meeting was adjourned at 2:45 p.m.

Respectfully submitted:



Steven H. Stokes, M.D., Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

**March 3, 2016
2:45 p.m.**

A meeting of the Academic and Student Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Ms. Bettye Maye, Chair, on Thursday, March 3, 2016, at 2:45 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Scott Charlton, Ron Jenkins, Bettye Maye, Bryant Mixon and Mike Windom.

Member Absent: Chandra Brown Stewart.

Other Trustees: Tom Corcoran, Steve Furr, Arlene Mitchell, Jimmy Shumock, Ken Simon, Steve Stokes and Jim Yance.

Administration and Others: Joe Busta, Lynne Chronister, Darleen Dempster, Kristin Dukes, Kristin Dukes, Mike Finan, Stan Hammack, Krista Harrell, Mike Haskins, David Johnson, Mike Mitchell, John Smith, Sam Strada, Tony Waldrop, Scott Weldon, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Alyssa Newton (*Vanguard*).

The meeting came to order and the attendance roll was called. Ms. Maye called for consideration of the minutes of the meeting held on December 3, 2015. On motion by Mr. Windom, seconded by Dr. Charlton, the minutes were adopted unanimously.

Ms. Maye called upon Dr. Johnson for presentation of **ITEM 7**, a resolution to award an honorary doctorate degree to Pulitzer Prize-winning journalist Ms. Cynthia Tucker Haynes (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 4, 2016). Dr. Johnson discussed Ms. Tucker Haynes' background, as well as the process for vetting a candidate's qualifications for eligibility to be awarded an honorary doctorate degree. On motion by Mr. Windom, seconded by Captain Jenkins, the Committee voted unanimously to recommend approval by the Board of Trustees.

Ms. Maye called for the presentation of **ITEM 8**, a resolution expressing the Board's appreciation to Dr. Allan Tucker, retired Professor and Chair of the Department of Pathology, for his many contributions and years of service to the University, and for his commitment to the education of medical students and residents. President Waldrop advised of Dr. Tucker's retirement in February, and Mr. Yance described Dr. Tucker as an outstanding individual and physician, reminding the group of Dr. Tucker's service on the USA Foundation Board of Directors as faculty representative. On

motion by Mr. Windom, seconded by Captain Jenkins, the Committee voted unanimously to recommend approval by the Board of Trustees.

As to a report on the activities of the Division of Academic Affairs, **ITEM 9**, Ms. Maye called on Mr. Shumock for an update on the work of a committee to determine the feasibility of constructing a stadium on the campus. Mr. Shumock said stadiums at other campuses had been toured and meetings to evaluate stadium amenities and finance aspects had been held, with involvement by USA's two consultants. He said a proposal on stadium appearance and costs from the architectural and finance firms is progressing and those factors would drive the decision on whether to move forward with constructing a stadium. Chairman Furr thanked Mr. Shumock for his efforts. Mr. Shumock said he had enjoyed the process. Ms. Maye asked about the schedule for receiving the report. Mr. Shumock said the information is expected within the next couple of months. Brief discussion took place about changes in the Sun Belt Conference.

Ms. Maye called for a report on the activities of the Division of Student Affairs, **ITEM 10**. Dr. Smith gave an update on campus housing, noting previous discussion on the possibility of constructing a new residence hall. He said, although a building design is complete, the Administration has evaluated needs and agrees construction can be delayed for one year. If necessary to cover residency for the 2016-2017 academic year, he stated beds could be leased from The Grove. He noted housing as a self-supporting operation and stressed the prudence of not exceeding the demand.

Dr. Mitchell introduced Dr. Krista Harrell, Associate Dean of Students and Title IX Coordinator, and Dr. Darlene Dempster, Prevention Coordinator and Associate Director of USA's Counseling and Testing Services, for a report on *SafeZone*, a program to educate faculty and staff on ways to be more inclusive of the LGBTQ (lesbian, gay, bisexual, transgender, questioning) student community. Dr. Dempster detailed aspects of SafeZone, which provides areas designated as a "Safe Place" for individuals to feel comfortable regardless of orientation and without fear of being judged or ridiculed. Dr. Harrell asserted the importance of SafeZone with regard to retention, noting that students and faculty make decisions on enrollment and employment on the basis of provisions that promote a tolerant campus environment. She expressed appreciation for the support of USA's leadership and questions from Trustees were addressed.

There being no further business, the meeting was adjourned at 3:12 p.m.

Respectfully submitted:


Bettye R. Maye, Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

BUDGET AND FINANCE COMMITTEE

**March 3, 2016
2:00 p.m.**

A meeting of the Budget and Finance Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Tom Corcoran, Chair, on Thursday, March 3, 2016, at 2:04 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Tom Corcoran, Arlene Mitchell, Jimmy Shumock, Steve Stokes and Jim Yance.

Member Absent: Sandy Stimpson.

Other Trustees: Scott Charlton, Steve Furr, Ron Jenkins, Bryant Mixon, Ken Simon and Mike Windom.

Administration and Others: Harry Brislin, Joe Busta, Lynne Chronister, Kristin Dukes, Monica Ezell, Mike Finan, Stan Hammack, Mike Haskins, David Johnson, Mike Mitchell, John Smith, Sam Strada, Tony Waldrop, Scott Weldon, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Alyssa Newton (*Vanguard*).

The meeting came to order and the attendance roll was called. Mr. Corcoran called on Dr. Busta to address **ITEM 13**, a resolution authorizing campus property to be set aside for the National Alumni Association (NAA) to fund and build an alumni center subject to University specifications, which will be made a gift to the University upon the completion of construction (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 4, 2016). Dr. Busta stated the property, located along South Drive and Campus Drive near Moulton Tower and Alumni Plaza, is a busy area of the campus. He said a lead gift of \$2 million had been identified for the project, which is expected to cost \$4.5 million. On motion by Mr. Shumock, seconded by Ms. Mitchell, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Corcoran asked Mr. Weldon to present **ITEM 14**, a resolution authorizing the President and Vice President for Finance and Administration to execute an unsecured line of credit of up to \$30 million for use by the USA Health System with an option to renew annually and with the intent to convert the line of credit to permanent financing within 24 months. Mr. Weldon said capital is needed to complete projects over a course of two years, including construction of a medical office building, construction of an operating room at the Medical Center, and implementation of

a comprehensive electronic records system for the USA Health System. He discussed the plan for issuing a request for proposals with finance terms that would allow the University the flexibility to restructure the debt service based on how capital needs evolve. He said the Administration is confident in moving forward despite interest rate unknowns. On motion by Mr. Shumock, seconded by Ms. Mitchell, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Corcoran called for consideration of the minutes of the meeting held on December 3, 2015. On motion by Mr. Yance, seconded by Mr. Shumock, the minutes were approved unanimously.

Mr. Corcoran asked Mr. Weldon to discuss **ITEM 11**, the quarterly financial statements for the three months ended December 31, 2015. Mr. Weldon said the financial results communicated in the report were as expected. He pointed out an approximate \$3 million increase in the University's net position of \$14 million, as compared to \$17 million reported for the first quarter of fiscal year 2014-2015. He said the salary supplement given in December 2015, which totaled close to \$5 million, accounted for the difference.

Mr. Corcoran called for presentation of **ITEM 15**, a resolution authorizing the purchase of land adjacent to 26 Oakland Avenue for the price of \$185,000 and delegating authority for finalizing the purchase to the Executive Vice President and the Vice President for Finance and Administration, pending acceptance of the survey and compliance by the seller to complete all requirements of the purchase contract. Dr. Smith advised the Committee that the University was approached about acquiring the property. A diagram of the lot was shown. Dr. Smith stated the land would be used for guest parking for events hosted at the President's Home. With regard to fair market value, real estate professional Mr. Harry Brislin, Director of the USA Technology and Research Park, advised that the negotiated price was reasonable. On motion by Mr. Yance, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Corcoran asked President Waldrop to present **ITEM 16**, a resolution authorizing the naming of the *Judith Susan and Samuel Joseph Strada Patient Care Center* in recognition of the vast contributions of College of Medicine Dean Dr. Sam Strada and his late wife, Judy, to the advancement of medicine, education and the community. President Waldrop discussed the process of identifying a name for the USA Physicians Group new medical office building. He said the naming was a fine way to honor the Stradas for their service. On motion by Mr. Yance, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval by the Board of Trustees.

Budget and Finance Committee
March 3, 2016
Page 3

There being no further business, the meeting was adjourned at 2:18 p.m.

Respectfully submitted:



E. Thomas Corcoran, Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

AUDIT COMMITTEE

March 3, 2016

3:12 p.m.

A meeting of the Audit Committee of the University of South Alabama Board of Trustees was duly convened by Dr. Scott Charlton on behalf of Mr. John Peek, Chair, on Thursday, March 3, 2016, at 3:12 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Scott Charlton, Ron Jenkins and Bryant Mixon.

Members Absent: John Peek and Sandy Stimpson.

Other Trustees: Tom Corcoran, Steve Furr, Bettye Maye, Arlene Mitchell, Jimmy Shumock, Ken Simon, Steve Stokes, Mike Windom and Jim Yance.

Administration and Others: Joe Busta, Lynne Chronister, Kristin Dukes, Monica Ezell, Mike Finan, Stan Hammack, Mike Haskins, David Johnson, Mike Mitchell, John Smith, Sam Strada, Tony Waldrop, Scott Weldon, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Alyssa Newton (*Vanguard*).

The meeting came to order and the attendance roll was called. Dr. Charlton called for consideration of the minutes of the meetings held on September 3 and December 3, 2015. On motion by Sheriff Mixon, seconded by Capt. Jenkins, the minutes were adopted unanimously.

Dr. Charlton called upon Mr. Weldon for presentation of the KPMG report on intercollegiate athletics for the fiscal year ended September 2015, ITEM 17. Mr. Weldon stated the report, which examines compliance with National Collegiate Athletic Association (NCAA) regulations, is conducted annually to fulfill NCAA bylaws requirements. He said the report did not yield findings or exceptions.

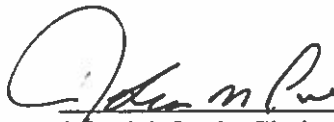
There being no further business, the meeting was adjourned at 3:14 p.m.

Respectfully submitted:



Scott A. Charlton, M.D.

On behalf of:



John M. Peek, Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

**March 3, 2016
3:14 p.m.**

A meeting of the Development, Endowment and Investments Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jim Yance, Chair, on Thursday, March 3, 2016, at 3:14 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Tom Corcoran, Ron Jenkins, Ken Simon, Steve Stokes, Mike Windom and Jim Yance.

Other Trustees: Scott Charlton, Steve Furr, Bettye Maye, Arlene Mitchell, Bryant Mixon, and Jimmy Shumock.

Administration and Others: Terry Albano, Joe Busta, Lynne Chronister, Kristin Dukes, Mike Finan, Mike Finan, Stan Hammack, Mike Haskins, David Johnson, Mike Mitchell, Norman Pitman, John Smith, Sam Strada, Tony Waldrop, Scott Weldon, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Alyssa Newton (*Vanguard*).

The meeting came to order and the attendance roll was called. Mr. Yance called for consideration of the minutes of the meeting held on December 3, 2015. On motion by Mr. Corcoran, seconded by Mr. Windom, the minutes were approved unanimously.

Mr. Yance addressed **ITEM 18**, a report on endowment and investment performance, noting a slight underperformance and market volatility. He called on Mr. Albano, who reported an endowment total of \$140.2 million for the first quarter ended December 31, 2015. He said performance for the period was 2.18 percent versus the relative index of 3.04 percent, an underperformance of .86 percent. He advised all managers had outperformed their respective indexes with the exception of Private Advisors. He reminded the Committee of the decision to release Private Advisors of its management responsibilities, which Mr. Pitman affirmed would reflect on the portfolio effective June 1. Mr. Pitman discussed changes in the bond market and Mr. Albano stated, with volatility, opportunities can emerge. He said additional investments of between \$2 million and \$3 million are being explored. He detailed a chart showing allocations by manager and discussed annualized performance since inception, noting a return of 4.79 percent versus the relative index of 3.89 percent, an outperformance of .9 percent. He conveyed confidence in the University's long-term investment plan and gave an update on due diligence efforts relating to private equity as an asset class and replacement of Private Advisors,

adding that interviews with private equity managers are scheduled on March 29 and interviews with hedge funds managers would take place in May.

Mr. Albano presented **ITEM 19**, a resolution authorizing changes to the investment policies and guidelines for non-endowment fund investments (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 4, 2016). He said the revisions address the addition of a policy for long-term investing of operating cash, which cannot exceed 30 percent of the total portfolio or include fixed income. Further, it allows the Administration to establish a line of credit. On motion by Mr. Corcoran, seconded by Judge Simon, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Yance called for presentation of **ITEM 20**, a report on the activities of the Division of Development and Alumni Relations. Dr. Stokes, Upward & Onward Campaign Co-Chair, shared campaign highlights, including \$84.4 million raised towards the \$150 million campaign goal as of February 29, as well as 17,501 donors and 23,168 gifts. He stated the campaign team was fully engaged to meet goals identified by the Development staff for the next six months. He said 14 regional receptions were scheduled, the first of which took place in Salt Lake City, Utah, on February 18. He invited participation at the afternoon leadership team meeting and said another meeting would follow on September 30, 2016, to coincide with the USA vs. San Diego State home football game.

Mr. Yance asked Dr. Busta to address **ITEM 21**, a resolution honoring Mr. Vincent Kilborn for his gift of \$1.5 million to establish the Vincent F. Kilborn III Endowment fund and for his support of the University of South Alabama and its health care affiliates, particularly, the Mitchell Cancer Institute (MCI). Dr. Busta spoke about Mr. Kilborn's enthusiasm to make a difference and noted the endowment would provide unrestricted funding for the MCI program in Fairhope, Alabama. On motion by Mr. Corcoran, seconded by Capt. Jenkins, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Busta presented **ITEM 22**, a resolution honoring Audrey and Joseph Shewmake for their \$2.4 million estate gift, half of which will endow math and computing scholarships while the remaining half will be unrestricted endowment funds used for general scholarship needs. He shared biographical information on the Shewmakes, noting Mr. Shewmake as a USA graduate. He said the couple believed in the impact of higher education to improve lives. On motion by Mr. Windom, seconded by Dr. Stokes, the Committee voted unanimously to recommend approval by the Board of Trustees.

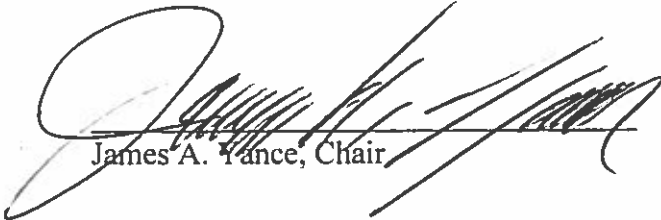
Dr. Busta introduced **ITEM 23**, a resolution expressing appreciation to the Upward & Onward Campaign leadership team for exceptional commitment to the advancement of the University of

Development, Endowment and Investments Committee
March 3, 2016
Page 3

South Alabama. He gave insight on the scope of responsibilities asked of team members. On motion by Capt. Jenkins, seconded by Mr. Windom, the Committee voted unanimously to recommend approval by the Board of Trustees.

There being no further business, the meeting was adjourned at 3:33 p.m.

Respectfully submitted:



James A. Vance, Chair