

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES  
FREDERICK P. WHIDDON ADMINISTRATION BUILDING  
SUITE 130, BOARD ROOM  
STANDING COMMITTEES (Consecutive Meetings)**

**MARCH 3, 2016  
2:00 P.M.**

\* *Materials Added/Revised*

**HEALTH AFFAIRS COMMITTEE** Dr. Steve Stokes, Chair

Roll Call

Approve: [Minutes](#)

3 Recommendation to Approve: [USA Hospitals Credentials – November and December 2015, and January 2016](#)

4 Recommendation to Approve: [Declaration of Agreement for a Cancer Consortium between The University of Alabama at Birmingham and the University of South Alabama](#)

5 Recommendation to Approve: [Naming of Children’s and Women’s Hospital Operating Room](#)

6 Report: Health System and College of Medicine

**ACADEMIC AND STUDENT AFFAIRS COMMITTEE** Bettye Maye, Chair

Roll Call

Approve: [Minutes](#)

7 Recommendation to Approve: [Honorary Doctorate Degree](#)

\* 8 Recommendation to Approve: [Commendation of Dr. J. Allan Tucker](#)

9 Report: Academic Affairs

10 Report: Student Affairs

**BUDGET AND FINANCE COMMITTEE** Tom Corcoran, Chair

Roll Call

\* Approve: [Revised Agenda](#)

Approve: [Minutes](#)

11 Report: [Quarterly Financial Statements, Three Months Ended December 31, 2015](#)

\* ~~12 Report: [Process Improvement Committee](#)~~

13 Recommendation to Approve: [Allocation of Land for Construction of a University Alumni Center](#)

14 Recommendation to Approve: [Health System Line of Credit](#)

15 Recommendation to Approve: [Purchase of Property Adjacent to 26 Oakland Avenue](#)

\* 16 Recommendation to Approve: [Naming of Office and Clinic Building](#)

**AUDIT COMMITTEE** John Peek, Chair

Roll Call

Approve: [Minutes](#)

17 Report: [KPMG Report on USA Intercollegiate Athletics, Year Ended September 2015](#)

**DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE** Jim Yance, Chair

Roll Call

Approve: [Minutes](#)

18 Report: [Endowment and Investment Performance](#)

19 Recommendation to Approve: [Revision of Non-Endowment Cash Pool Investment Policy](#)

20 Report: Development and Alumni Relations

21 Recommendation to Approve: [Commendation of Vincent Kilborn](#)

22 Recommendation to Approve: [Commendation of Audrey and Joseph Shewmake](#)

23 Recommendation to Approve: [Appreciation of the Upward & Onward Campaign Committee](#)

**BOARD OF TRUSTEES**

**MARCH 4, 2016  
10:30 A.M.**

\* *Agenda Revision/Materials Added or Revised*

Roll Call

\* Approve: [Revised Agenda](#)

\* 1 Approve: [Minutes](#)

2 Report: President’s Report

**CONSENT AGENDA**

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**AUDIT COMMITTEE** John Peek, Chair

**DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE** Jim Yance, Chair

**SPECIAL ACKNOWLEDGMENT**

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\* 8 Approve: [Commendation of Dr. J. Allan Tucker](#)

21 Approve: [Commendation of Vincent Kilborn](#)

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# UNIVERSITY OF SOUTH ALABAMA

## BOARD OF TRUSTEES



### **THURSDAY, MARCH 3, 2016:**

2:00 p.m.	<i>Committee Meetings (Consecutive)</i>	<i>Administration Bldg., Rm. 130</i>
6:00 p.m.	<i>Distinguished Alumni and Service Awards Gala</i>	<i>Mitchell Center</i>

### **FRIDAY, MARCH 4, 2016:**

10:30 a.m.	<i>Board of Trustees Meeting</i>	<i>Administration Bldg., Rm. 130</i>
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**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**STANDING COMMITTEES  
2014-2016**

**EXECUTIVE COMMITTEE:**

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

**DEVELOPMENT, ENDOWMENT & INVESTMENTS CTE.:**

Mr. James A. Yance, **Chair**  
Mr. E. Thomas Corcoran  
Capt. Robert D. Jenkins  
Hon. Kenneth O. Simon  
Dr. Steven H. Stokes  
Mr. Michael P. Windom

**ACADEMIC AND STUDENT AFFAIRS COMMITTEE:**

Ms. Bettye R. Maye, **Chair**  
Ms. Chandra Brown Stewart  
Dr. Scott A. Charlton  
Capt. Robert D. Jenkins  
Hon. Bryant Mixon  
Mr. Michael P. Windom

**HEALTH AFFAIRS COMMITTEE:**

Dr. Steven H. Stokes, **Chair**  
Ms. Chandra Brown Stewart  
Dr. Scott A. Charlton  
Ms. Bettye R. Maye  
Ms. Arlene Mitchell  
Hon. Kenneth O. Simon

**AUDIT COMMITTEE:**

Mr. John M. Peek, **Chair**  
Dr. Scott A. Charlton  
Capt. Robert D. Jenkins  
Hon. Bryant Mixon  
Hon. William S. Stimpson

**LONG-RANGE PLANNING COMMITTEE:**

Mr. James H. Shumock, **Chair**  
Ms. Chandra Brown Stewart  
Ms. Bettye R. Maye  
Hon. Bryant Mixon  
Mr. John M. Peek  
Hon. William S. Stimpson  
Mr. Michael P. Windom

**BUDGET AND FINANCE COMMITTEE:**

Mr. E. Thomas Corcoran, **Chair**  
Ms. Arlene Mitchell  
Mr. James H. Shumock  
Hon. William S. Stimpson  
Dr. Steven H. Stokes  
Mr. James A. Yance

**COMPENSATION COMMITTEE (*ad hoc*):**

Mr. James H. Shumock, **Chair**  
Mr. E. Thomas Corcoran  
Dr. Steven P. Furr  
Ms. Arlene Mitchell  
Mr. John M. Peek

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**AGENDA  
MINUTES**



**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES  
FREDERICK P. WHIDDON ADMINISTRATION BUILDING  
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**MARCH 3, 2016  
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- Roll Call
- Approve: Minutes
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- 5 Recommendation to Approve: Naming of Children's and Women's Hospital Operating Room
- 6 Report: Health System and College of Medicine

**ACADEMIC AND STUDENT AFFAIRS COMMITTEE** Bettye Maye, Chair

- Roll Call
- Approve: Minutes
- 7 Recommendation to Approve: Honorary Doctorate Degree
- \* 8 Recommendation to Approve: Commendation of Dr. J. Allan Tucker
- 9 Report: Academic Affairs
- 10 Report: Student Affairs

**BUDGET AND FINANCE COMMITTEE** Tom Corcoran, Chair

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- \* Approve: Revised Agenda
- Approve: Minutes
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- \* ~~12 Report: Process Improvement Committee~~
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- \* 16 Recommendation to Approve: Naming of Office and Clinic Building

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- Roll Call
- Approve: Minutes
- 17 Report: KPMG Report on USA Intercollegiate Athletics, Year Ended September 2015

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- Roll Call
- Approve: Minutes
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- 20 Report: Development and Alumni Relations
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- 23 Recommendation to Approve: Appreciation of the Upward & Onward Campaign Committee

**BOARD OF TRUSTEES**

**MARCH 4, 2016  
10:30 A.M.**

\* *Agenda Revision/Materials Added or Revised*

- Roll Call
- \* Approve: Revised Agenda
- \* 1 Approve: Minutes
- 2 Report: President's Report

**CONSENT AGENDA**

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**DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE** Jim Yance, Chair

**SPECIAL ACKNOWLEDGMENT**

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- \* 8 Approve: Commendation of Dr. J. Allan Tucker
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MEMORANDUM

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UNIVERSITY OF SOUTH ALABAMA

February 23, 2016

TO: USA Board of Trustees

FROM: James H. Shumock   
Secretary, Board of Trustees

Included herein are the unapproved minutes of the Board of Trustees and standing committee meetings held on December 3 and 4, 2015, as well as the minutes of the Audit Committee meeting held on September 3, 2015. Please review these documents for amendment or approval at the March 3 and 4 meetings of the Board of Trustees.

JHS:mgc

Attachments

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**LONG-RANGE PLANNING COMMITTEE**

**December 3, 2015**

**4:10 p.m.**

A meeting of the Long-Range Planning Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair, on Thursday, December 3, 2015, at 4:10 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Chandra Brown Stewart, Bettye Maye, Bryant Mixon, John Peek, Jimmy Shumock and Mike Windom.

Member Absent: Sandy Stimpson.

Other Trustees: Scott Charlton, Tom Corcoran, Steve Furr, Ron Jenkins, Arlene Mitchell, Ken Simon, Steve Stokes and Jim Yance.

Administration and Others: Joe Busta, Lynne Chronister, Angela Coleman, Monica Curtis, Joel Erdmann, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, Mike Mitchell, John Smith, Sam Strada, Jean Tucker, Tony Waldrop, Scott Weldon and Kelly Woodford (Faculty Senate).

The meeting came to order and the attendance roll was called. Mr. Shumock called for consideration of the minutes of the meeting held on June 4, 2015. On motion by Mr. Windom, seconded by Ms. Maye, the minutes were adopted unanimously.

Mr. Shumock called upon Dr. Angela Coleman, Associate Vice President for Institutional Effectiveness, for presentation of **ITEM 22**, a resolution to adopt the planning report titled *University of South Alabama Strategic Plan, 2016-2020* (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on December 4, 2015). Dr. Coleman discussed activities for gathering constituency feedback since the previous Committee meeting, which included town hall meetings and solicitations to members of the community. She said the final plan was guided by the suggestions and comments received and added it was rewarding to see the faculty and staff engaged with advancing the University. She advised that employees of the Health Division showed interest as well. She stated strategic objectives related to academics and creation of multi-disciplinary connections were incorporated into the final plan. Mr. Shumock stated he was involved in several of the meetings. He commended Dr. Coleman for her management of the initiative. The next step is development of a scorecard to measure how the University performs in meeting the objectives. On motion by Ms. Maye, seconded by Ms. Brown Stewart, the Committee voted unanimously to recommend approval by the Board of Trustees.

There being no further business, the meeting was adjourned at 4:20 p.m.

Respectfully submitted:

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James H. Shumock, Chair

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**December 4, 2015  
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, December 4, 2015, at 10:30 a.m. in the Board Room of the Frederick P. Whiddon Administration Building.

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

Member Absent: Robert Bentley.

Administration and Others: Beth Anderson, David Barnett, Paul Brueske, Joe Busta, Michael Chambers, Lynne Chronister, Monica Curtis, Joel Erdmann, Mike Finan, DeWitt Ford (AASA), Jinni Frisbey, Happy Fulford, Charlie Guest, Stan Hammack, Bob Hanks, Mike Haskins, Emily Hughes, Terri Kadel, Nick Lawkis, Kelly McCarron, Mike Mitchell, Ravi Rajendra (SGA), Jeb Shell (NAA), John Smith, Sally and John Steadman, Polly Stokley, Sam Strada, Jean Tucker, Tony Waldrop, Leslie Weaver, Scott Weldon, Kevin West and Kelly Woodford (Faculty Senate), and Lauren Woods.

Press: Cassie Fambro (al.com).

The meeting was called to order and the attendance roll was called. Chairman Furr welcomed Trustees and guests and shared a quote by U. S. Representative John Lewis, an icon of the civil rights movement who will serve as Fall Commencement Speaker on December 12. He called for consideration of **ITEM 1**, the minutes of the Board of Trustees meeting held on September 4, 2015, as well as the minutes of a Compensation Committee meeting held on September 3, and of an Executive Committee meeting held on September 28. On motion by Mr. Peek, seconded by Mr. Shumock, the minutes were approved unanimously.

Chairman Furr called for presentation of **ITEM 2**, the President's Report. President Waldrop recognized Mr. DeWitt Ford, African-American Student Association President. He encouraged attendance at Fall Commencement to hear Representative Lewis' address. He said the crusade of Lewis and other civil rights leaders is documented in USA's Common Read selection for 2015 *Cradle of Freedom: Alabama and the Movement that Changed America* by USA Writer In Residence Mr. Frye Gaillard.

President Waldrop stated Shut Out Human Trafficking Week, held to bring awareness on human trafficking, was coming to a close. He said speakers representing UNICEF and the National Consortium for Academics and Sports were featured as part of the program. Judge Simon tied this topic to the University's strategic initiative for global engagement.

President Waldrop called for comments from Dr. Kevin West, Faculty Senate President. On behalf of the faculty, Dr. West thanked the Board of Trustees and the Administration for making possible a salary supplement. He discussed the faculty's involvement in the Strategic Plan town hall meetings. He thanked Dr. Angela Coleman for spearheading the strategic planning process. As to strategic objectives for improvement of student access and success and improvement of faculty success and retention, he shared details on a faculty mentoring program headed by Dr. Ellen Buckner. About the correlation between compensation and faculty development, he said work on salary issues led to adjustments over the summer term. Judge Simon asked about the juxtaposition between teaching loads and research. Dr. West said research opportunities are being tracked and faculty hiring has increased. Mr. Peek asked about perceptions on teaching responsibility as they relate to growth. Dr. West said this matter varies by academic unit and acknowledged improvements in faculty/student ratios in some areas.

President Waldrop called for remarks from Mr. Ravi Rajendra, Student Government Association President. Mr. Rajendra discussed efforts by the SGA to "build a better South" by engaging students in a variety of projects. Among the activities discussed were the *Battle for the Belt* campaign designed to increase interest in the USA vs. Troy football rivalry, collaboration with the Hale Empowerment and Revitalization Organization (HERO), a catalyst for community development to end rural poverty in the Alabama Black Belt, Pizza with the President, and student access of the JagTran Tracker "app" as a means of encouraging JagTran services to alleviate parking concerns.

President Waldrop called on Ms. Anderson, who discussed the University HealthSystem Consortium's (UHC) annual University Health Center Quality and Accountability Study which awarded four stars to the USA Medical Center for quality of care and ranked the Medical Center 28th among 102 academic medical centers in the nation. Her summation included materials showing the six domains of care regarded in the ranking. She attributed this accomplishment to data-driven improvement methods employed by the many individuals who comprise the USA Physicians Group and she introduced Dr. Clara Massey, Professor of Internal Medicine and Director of the USA Heart Center at the USA Medical Center, and Dr. Allen Perkins, Chair of the Department of Family Medicine, crediting them for their leadership roles. Also significant was that the Medical Center outranked the University of Alabama at Birmingham in the study. Judge Simon reminded the group of the recognition given the Medical Center by the American Hospital Association three years in a row. He asked how the Medical Center prepares for tragedy. Ms. Anderson stated the Medical Center trains several times a year and is well prepared.

President Waldrop called upon Dr. Finan, Chair of the Search Committee for the position of Vice President for Medical Affairs and Dean of the College of Medicine. Dr. Finan said the services of a search firm had helped to produce 80 nominations thus far, from which 38 individuals are deemed strong candidates. He said the nomination process would end December 17 and shared expectations for first-round interviews of 10 to 12 individuals taking place in January, from which the pool would be narrowed to three top candidates for interviews on campus.

President Waldrop asked Dr. Guest for an update on the dean searches for the Pat Capps Covey College of Allied Health Professions and the College of Education. Dr. Guest stated the College of Education's search is in the final stages, whereas semi-finalist interviews are in progress for the College of Allied Health Professions search.

President Waldrop called upon Ms. Chronister, who advised of the appointment of Mr. Michael Chambers as Assistant Vice President for Research Innovation. She shared insight on Mr. Chambers' background, including his profession as an attorney and as a Swift Biotechnology executive. She added Mr. Chambers was featured on the cover of the December edition of *Business Alabama* magazine. Mr. Chambers discussed his interests and expressed excitement for his new role at USA.

President Waldrop called for comments from Dr. Mitchell. Dr. Mitchell discussed honors received by USA Counseling and Testing Services (CTS) in being ranked among the top 100 testing centers in the nation among the 2,900 such programs reviewed by the College Entrance Examination Board for administration of the College Level Examination Program (CLEP). He recognized Ms. Terri Kadel, Testing Coordinator; Ms. Leslie Weaver, Counselor and Sexual Assault Coordinator who was named Alabama Counseling Association Practitioner of the Year; and Dr. Bob Hanks, CTS Director. He thanked them for their good work.

Chairman Furr joined President Waldrop for the introduction of USA employees who were named in the *Mobile Bay Monthly* annual feature "Forty Under 40." Introduced were Ms. Emily Hughes, Quality Project Coordinator at Children's & Women's Hospital; Mr. Nick Lawkis, Associate Director of Governmental Relations; Ms. Kelly McCarron, Director of Development for the Mitchell Cancer Institute; and Ms. Lauren Woods, Instructor for the Department of Visual Arts. Dr. Elizabeth Minto, Assistant Professor of Neurology, could not be present. Thirteen of the 40 individuals recognized represent the USA National Alumni Association or are employees of the University. President Waldrop stated great employees make for a great institution.

President Waldrop called for remarks from Dr. Steadman, Dean of the College of Engineering. Dr. Steadman conveyed appreciation for the opportunity to recognize members of the Tau Beta Pi Engineering Honor Society. Dr. Steadman was joined by the students and each was introduced. Also attending was Dr. Sally Steadman, Tau Beta Pi Chief Advisor. Dr. Steadman stated that only the highest achieving students are invited to become a member. He advised that USA's chapter was selected as best in the nation, an honor no other Alabama chapter has received.

President Waldrop called upon Dr. Erdmann, who recognized, as 2015 Sun Belt Tournament champions, the members of the Women's Cross Country and the Women's Soccer teams. He stated the Sun Belt championship was the first for the Cross Country program since the 1990s. He added that both the men's and women's Cross Country programs were named the Sun Belt's top academic program for 2015. As to the Soccer program, he stated, in addition to winning the Sun Belt Tournament for a third consecutive year, the team also won its regular season championship. He discussed the NCAA ratings percentage index (RPI), noting USA's soccer program was ranked 16 out of 300 soccer programs in 2015, a significant improvement since being ranked in the low to mid 200's three years prior. He stated the soccer program ended the 2014-2015 academic year with a cumulative 3.3 GPA. He credited Head Cross Country Coach David Barnett, Cross Country/Track & Field Head Coach Paul Brueske and Soccer Head Coach Graham Winkworth for their leadership, and recognized Ms. Jinni Frisbey, Senior Woman Administrator, for oversight of the health and wellbeing of USA's women's sports programs. Members of both teams were present and shared biographical information and their majors.

Chairman Furr addressed consent agenda **ITEMS 4, 11, 14, 16, 17** and **18** as follows, respectively, noting all had received the Committees' unanimous recommendations for approval by the Board of Trustees at meetings held on December 3. He called for a vote and the resolutions were approved unanimously:

**RESOLUTION**  
**EVALUATION OF THE UNIVERSITY'S ENDOWMENT AND NON-ENDOWMENT INVESTMENT POLICIES**

**WHEREAS**, the Southern Association of Colleges and Schools (SACS) requires that investment policies must be evaluated regularly, and

**WHEREAS**, the Board of Trustees has previously approved the University's endowment funds policies and guidelines and the University's non-endowment cash pool investment policy,

**THEREFORE, BE IT RESOLVED** that the Board of Trustees of the University of South Alabama hereby acknowledges the current year annual evaluation of both policies by the Development, Endowment and Investments Committee.

**RESOLUTION**  
**DIRECTORS FOR THE UNIVERSITY OF SOUTH ALABAMA**  
**FOUNDATION FOR RESEARCH AND COMMERCIALIZATION**

**WHEREAS**, pursuant to the bylaws of the University of South Alabama Foundation for Research and Commercialization ("USAFRC") which were approved by the Board of Trustees of the University of South Alabama ("Board") on June 7, 2013, the Board shall elect directors of the Foundation who are not officers, employees, or trustees of the University, and

**WHEREAS**, Mr. Colby Cooper has been nominated as a new member of the USAFRC Board of Directors, and Mr. David Trent has been nominated as a continuing member of the same, and both have agreed to serve four-year renewable terms beginning December 2015 and ending September 2019,



**THEREFORE, BE IT RESOLVED** that the Board of Trustees of the University of South Alabama does hereby appoint and reappoint, respectively, Mr. Colby Cooper and Mr. David Trent to the USAFRC Board of Directors for the aforementioned term.

**RESOLUTION  
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS  
FOR AUGUST, SEPTEMBER AND OCTOBER 2015**

**WHEREAS**, the Medical Staff appointments and reappointments for August, September and October 2015 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 UNITED STATES CONGRESSMAN JOHN LEWIS**

**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**, United States Congressman John Lewis is a native of the state of Alabama and grew up in Pike County, and

**WHEREAS**, Congressman Lewis is among the most influential leaders of the Civil Rights Movement and, while a student at Fisk University, he was one of the architects of and a keynote speaker at the historic *March on Washington* on August 28, 1963, and

**WHEREAS**, during his college years, Congressman Lewis helped to establish and served as Chairman of the Student Nonviolent Coordinating Committee (SNCC), which promoted student activism such as sit-ins, and, during the *Mississippi Freedom Summer* in 1964, Congressman Lewis spearheaded SNCC efforts to sponsor voter registration drives and community action programs, and

**WHEREAS**, Congressman Lewis helped guide one of the most pivotal moments of the Civil Rights Movement as he, with other notable Civil Rights leaders, led more than 600 peaceful protestors across the Edmund Pettus Bridge in Selma, Alabama, on March 7, 1965, and

**WHEREAS**, Congressman Lewis continued in his pursuits for civil justice as Associate Director of the Field Foundation, as a participant in the Southern Regional Council's voter registration programs, and as Director of the Voter Education Project (VEP), which transformed the national political climate by adding nearly four million minorities to the voter rolls, and

**WHEREAS**, Congressman Lewis was appointed by President Jimmy Carter to direct more than 250,000 volunteers of *ACTION* and was elected to the Atlanta City Council, through which he was an advocate for neighborhood preservation and ethics in government, and

**WHEREAS**, Congressman Lewis has served with distinction in the United States House of Representatives for the Fifth Congressional District of the state of Georgia since 1986, and serves as a mem-

ber of the House Ways and Means Committee, for which he is a ranking member of its Oversight Subcommittee and a member of its Human Resources Subcommittee, and

**WHEREAS**, for his extraordinary work to advance human rights and equality, Congressman Lewis has been recognized by numerous eminent organizations and institutions and is the recipient of many distinguished awards, including the *Presidential Medal of Freedom*, the United States' highest civilian honor,

**THEREFORE, BE IT RESOLVED**, for his commitment to serving all citizens of the United States of America, and for his dedication to a strong, prosperous and just nation, and for his constant efforts in the interest of those he represents, the Board of Trustees of the University of South Alabama is proud to bestow upon Congressman John Lewis, this day, the degree of Doctor of Humane Letters (L.H.D.), *honoris causa*.

**RESOLUTION  
PROFESSORS EMERITUS**

**WHEREAS**, the following faculty members have retired from the University of South Alabama:

**ACADEMIC AFFAIRS:**

Larry B. Christensen, Ph.D., Professor of Psychology  
William B. Davis, Ph.D., Professor of Biomedical Sciences  
Alvin P. Rainosek, Ph.D., Professor of Mathematics and Statistics (*Posthumous*)  
Sue B. Walker, Ph.D., Professor of English  
Susan P. Youngblood, Ph.D., Assistant Professor of Philosophy

and,

**WHEREAS**, in recognition of their contributions to the University through extraordinary accomplishments in teaching and in the generation of new knowledge through research and scholarship, and for serving as consistently inspiring influences to students, and

**WHEREAS**, in accordance with University policy, the respective faculty committee, departmental chair and college dean, and the Provost and Senior Vice President for Academic Affairs and the President have duly recommended the aforementioned faculty retirees,

**THEREFORE, BE IT RESOLVED**, the Board of Trustees of the University of South Alabama hereby appoints these individuals to the rank of Professor Emeritus or Assistant Professor Emeritus with the rights and privileges thereunto appertaining, and

**BE IT FURTHER RESOLVED** that the Board of Trustees of the University of South Alabama conveys its deep appreciation to these individuals in recognition of their extraordinary accomplishments and dedicated service to the University of South Alabama

**RESOLUTION  
SABBATICAL AWARDS**

**WHEREAS**, in accordance with University policy, proposals for Sabbatical Awards have been reviewed and recommended by the respective faculty committee, departmental chair and college dean, and by the Provost and Senior Vice President for Academic Affairs and the President,

**THEREFORE, BE IT RESOLVED** that the University of South Alabama Board of Trustees approves said Sabbatical Awards on this date, December 4, 2015, for the 2016-2017 academic year.

<u>NAME</u>	<u>DISCIPLINE</u>	<u>TIME PERIOD</u>
Nicole Amare	English	Fall 2016
Brian Axsmith	Biology	Fall 2016
Larry Beason	English	Spring 2017
Andra Bohnet	Music	Spring 2017
David Durant	Music	Fall 2016
C. Diane Gibbs	Visual Arts	Spring 2017
Susan McCready	Foreign Languages and Literatures	Spring 2017
Henry "Mel" McKiven	History	Fall 2016
Harrison Miller	History	Spring 2017
Corina Schulze	Political Science and Criminal Justice	Academic Year 2016-17
Benjamin Shamback	Visual Arts	Fall 2016
James Swofford	Economics	Fall 2016

Chairman Furr called for a report from the Development, Endowment and Investments Committee. Mr. Yance, Committee Chair, said annual reports by investment managers were delivered at the committee meeting held December 3. He stated endowment performance for the fiscal year ending September 30, 2015, was -2.08 percent versus the relative index of -1.46 percent, an underperformance of .62 percent. He advised that the Committee decided to terminate the University's relationships with managers Master Select and Private Advisors. He said the Committee discussed the possibility of introducing private equity as a new asset class given proper due diligence. The Committee will report action at a future meeting. Mr. Yance thanked Mr. Albano for his efforts amid a difficult environment which followed several years of outstanding results. He said students of the Jaguar Investment Fund program were present to observe manager presentations on December 3. He reported that Upward & Onward Campaign Co-Chair Dr. Stokes and Dr. Busta discussed campaign results and activities, such as the October 13 campaign press conference and kick-off event. He said \$73 million was raised during the quiet phase of the \$150 million campaign. Since being announced, the campaign has received 925 new gifts. Mr. Yance said Dr. Busta reported working on a list of priority gifts. The next meeting of the Campaign Committee will take place on March 4, 2016. Mr. Yance thanked Dr. Stokes and Dr. Busta for their leadership.

Chairman Furr called for a report from the Audit Committee. Mr. Peek, Committee Chair, said Mr. Mark Peach, KPMG partner, attended the Committee meeting on December 3 and reported an unqualified opinion on the University's financial statements. He stated the examination was free of disputes with the Management, which Mr. Peach noted may not generally be the case when institutions are not forthcoming in providing resources. He said Mr. Weldon presented the Alabama Department of Examiners of Public Accounts Compliance Report for the fiscal year ended September 30, 2014, which did not yield findings. He said Mr. Weldon discussed the independent audit of the USA Foundation's (USAF) consolidated financial statements, as well as the combined financial statements for disproportionate share hospital funds held by the USAF, for

the fiscal year ended June 30, 2015. He stated the annual review of internal audit activities was presented by University Controller Ms. Polly Stokley, who is serving a dual capacity as Interim Director of the Office of Internal Audit. He said an appointment for the position of Executive Director of Internal Audit and Chief Financial Compliance Officer is expected early in 2016.

Chairman Furr called for a report from the Budget and Finance Committee. Mr. Corcoran, Committee Chair, stated that, at the Committee meeting on December 3, Mr. Weldon presented the University's 2015 Financial Report, which demonstrated an increase in net position of \$9.2 million compared to a \$6.6 million increase for the fiscal year ended September 30, 2014.

Mr. Corcoran reported the Committee's unanimous recommendation of **ITEM 12** as follows. Dr. Furr called for the vote and the resolution was approved unanimously:

**RESOLUTION  
AWARD OF CONSTRUCTION CONTRACT**

**WHEREAS**, the University of South Alabama (USA) has listed Excellence in Health Care as one of its five institutional priorities, and

**WHEREAS**, USA provides a unique academic and clinical environment to foster interdisciplinary education, treatment, and research relating to causes, diagnosis, treatment and prevention of disease, including cancer; educate and train USA students, fellows, residents, clinicians, and scientists; and be the region's leader in patients' access to care, improved outcomes, and satisfaction, and

**WHEREAS**, to assist in meeting its institutional priority of Excellence in Health Care, USA has purchased land in Fairhope, Alabama, as approved by its Board of Trustees on June 5, 2015, on which it plans to construct a medical office building for the purpose of leasing space to various USA affiliates, and

**WHEREAS**, this new building offers the opportunity to design state-of-the-art space, and

**WHEREAS**, the construction drawings, technical specifications, and other requisite documentation are being completed and bid packages for construction of the building will be sent to contractors as soon as practicable, with a bid date set for the requisite time after package distribution,

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Trustees authorizes the USA President to award to and execute a contract with the successful lowest responsible bidder consistent with the applicable laws and within the budgetary constraints of the University.

Mr. Corcoran reported the Committee's unanimous recommendation of **ITEM 13** as follows. Dr. Furr called for the vote and the resolution was approved unanimously:

**RESOLUTION  
ONE-TIME SALARY SUPPLEMENT**

**WHEREAS**, the University of South Alabama ("University") has been subject to substantial budgetary cuts by the state of Alabama since the 2007-2008 fiscal year, and

**WHEREAS**, as a result of the state cuts and the infrastructure needs of the University, it has been necessary for the University to adjust its budget, and

**WHEREAS**, due to the above ongoing economic constraints, the University will not be able to give an across-the-board permanent salary increase to its employees for fiscal year 2016, and

**WHEREAS**, the University has been able to sustain positive momentum in achieving its missions of teaching, research, service and health care through the united efforts of its employees, and

**WHEREAS**, through the careful approach by the University and its employees in the management of limited resources, the University is in a position to give a one-time salary supplement,

**THEREFORE, BE IT RESOLVED** that the Board of Trustees of the University of South Alabama hereby approves a one-time salary supplement for all current salaried or hourly regular faculty, staff and administrative employees in both the University General Division and the Health Division, as defined by USA human resources policies, who were employed prior to June 1, 2015, in a lump sum of \$1000, prorated based on such employee's full time equivalent status, to be paid on December 11, 2015, through the payroll system by direct deposit, after mandatory deductions, including taxes and retirement, are made.

Chairman Furr called for a report from the Health Affairs Committee. Dr. Stokes, Committee Chair, advised that, at the meeting on December 3, the Committee viewed a recruitment video featuring College of Medicine (COM) students and received information about the COM application process. He said an update was given on Medicaid negotiations and progress toward implementation of a regional care organization.

Chairman Furr called for a report from the Academic and Student Affairs Committee. Ms. Maye, Committee Chair, stated that, at the meeting on December 3, the Committee heard presentations by Dr. Alison Rudd and student volunteers representing the Student-Run Free Clinic; Dr. Sean Powers on marine research activities conducted at the Dauphin Island Sea Lab; Mr. Shumock on due diligence efforts relating to construction of a football stadium on campus; Ms. Chronister on research activity for fiscal year 2015; and University Police Chief Zeke Aull on Clery crime statistics from 2010 through 2014 and safety training of the University community for emergency situations.

Chairman Furr called for a report from the Long-Range Planning Committee. Mr. Shumock, Committee Chair, stated that, at the meeting on December 3, Dr. Angela Coleman discussed the strategic planning process whereby **ITEM 22**, as follows, was developed (for copies of policies and other authorized documents, refer to **APPENDIX A**). He reported the Committee's unanimous recommendation and Dr. Furr called for the vote. The resolution was approved unanimously:

**RESOLUTION**  
**UNIVERSITY OF SOUTH ALABAMA STRATEGIC PLAN, 2016-2020**

**WHEREAS**, in 2003 the University of South Alabama adopted long-range institutional goals and objectives for the period 2003-2008, and

**WHEREAS**, in 2008 the University of South Alabama adopted long-range institutional goals and objectives for the period 2008-2013, and

**WHEREAS**, in 2013 the University of South Alabama adopted the University of South Alabama Strategic Plan for the period 2013-2017, and

**WHEREAS**, the University of South Alabama is committed to ongoing, integrated, and institution-wide planning and evaluation processes that incorporate a systematic review of institutional mission, goals, and outcomes, resulting in continuing improvement in institutional quality, and that demonstrate that the institution is effectively accomplishing its mission, and

**WHEREAS**, as evidence of this commitment, the University mission, vision, goals and outcomes have been reviewed by the University Committee on Planning, Assessment and Finance, and

**WHEREAS**, after soliciting input from University stakeholders, the University Committee on Planning, Assessment and Finance has proposed a revision to the University Strategic Plan to address future challenges and opportunities,

**NOW, THEREFORE BE IT RESOLVED**, the Board of Trustees adopts the attached planning report titled *University of South Alabama Strategic Plan, 2016-2020*.

President Waldrop described the Holiday Concert held the previous evening as a great event and he wished Trustees and guests an enjoyable holiday season.

There being no further business, the meeting was adjourned at 11:35 a.m.

Attest to:

Respectfully submitted:

---

James H. Shumock, Secretary

---

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

# APPENDIX A



**University of South Alabama**  
**Disclosure of Information on Purchase of Real Property**  
**Pursuant to Alabama Act 2014-133**

Property address:

189 Lyons Park Avenue  
Mobile, AL36604

Appraisal information:

Property identification: Key number 806961  
Appraiser's name: Doug Wilson  
Date of appraisal: 1/18/15  
Appraised value: \$98,000.00

Contract related to the purchase:

Attached as Exhibit I

Terms of the purchase:

Cash purchase

Sources of funds used in the purchase:

Unrestricted funds

Exhibit I

REAL ESTATE PURCHASE CONTRACT

COPY

The **University of South Alabama** ("Buyer"), a public body corporate, whose principal address is 307 University Boulevard North, AD, Mobile, AL 36688 ("Buyer's Address"), hereby agrees to buy and **Lillie M. Sanders** and **Leola Sanders** (collectively, "Seller"), whose principal address is 189 Lyons Park Avenue, Mobile, AL 36604 ("Seller's Address"), hereby agree to sell for the consideration and upon the terms hereinafter set forth, the real estate described as:

Parcel: R022804172002100

Lot 6, Sherman Heights, according to plat thereof recorded in Deed Book 116, page 55, of the records in the Office of the Judge of Probate of Mobile County, Alabama.

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

**ARTICLE I - Purchase Price**

1.1 The purchase price for the Property shall be **ONE HUNDRED TEN THOUSAND AND NO/100 DOLLARS (\$110,000.00)** (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 shall pay the cost of acquiring a current title insurance policy for the benefit of Buyer, and the cost of document preparation, including a general warranty deed, with Seller's costs not to exceed the sum of One Thousand and No/100 Dollars (\$1,000.00). Buyer agrees to pay other closing and settlement costs. Property taxes shall be prorated as of the Closing date. Buyer agrees to deliver earnest money in the amount of Two Thousand Two Hundred and

No/100 Dollars (\$2200.00) to the Seller upon execution of this Real Estate Purchase Contract (the "Contract"), said earnest money to be returned to Buyer if the closing of this transaction does not occur by the time specified herein.

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

#### **ARTICLE II - Closing**

2.1 Unless otherwise extended by the provisions of the "Contract" or by agreement in writing by the parties, the closing of this transaction (the "Closing") shall be held by or before March 13, 2015.

2.2 The Closing shall be held at the title insurance company of Buyer's choosing.

#### **ARTICLE III - Possession**

3.1 Seller and Buyer acknowledge and agree that until the closing date and for thirty (30) days thereafter, Seller shall have possession of the Property and shall continue to pay any and all expenses incurred by Seller such as yard maintenance and agrees to indemnify and hold Buyer harmless from any and all costs associated with same. Seller shall be responsible for insuring the property, including the home and its contents, during the period of Seller's possession. Upon vacating the property, Seller will leave the property broom clean, will notify all utility companies to turn off said utilities, and will deliver all keys to Buyer. Buyer shall bear no responsibility for risk of loss prior to the time that Seller vacates the property and delivers all keys to Buyer.

#### **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 Buyer shall order a title insurance commitment or preliminary title report issued by the title company of Buyer’s choosing (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 Buyer shall bear all costs and expenses incurred in connection with the issuance of said title commitment, Policy and any endorsements thereto which are required to conform the Policy to the terms and conditions of this Contract.

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

#### **ARTICLE VI - Taxes and Assessments**

6.1 Seller shall pay or credit against the Purchase Price all unpaid real estate taxes, including penalties and interest, for all tax years preceding the Closing Date, and shall credit a



portion of such taxes for the tax year in which the Closing is held, prorated through the Closing Date. The proration of such taxes shall be based on a 365-day year and on the most recently available rate and valuation and the amount so computed and adjusted shall be final.

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

#### **ARTICLE VII - Utility Charges**

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

#### **ARTICLE VIII - Risk of Loss**

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

#### **ARTICLE IX - Conditions to Closing**

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

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

(b) Survey. Buyer may obtain, at Buyer's sole cost, a certified ALTA survey, being a legal description, made by a licensed surveyor, showing the area,

dimensions and location of the Property to the nearest monuments, streets, alleys or property, the location of all improvements, utilities and encroachments, 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.

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

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

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

(f) 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 (a) personal delivery (b) facsimile or (c) deposit in the U.S. Mail,



marked Certified or Registered, return receipt requested, with postage prepaid to Seller at 189 Lyons Park Avenue, Mobile, AL 36604, and to Buyer at 307 University Boulevard N., AD 170, Mobile, AL 36688 (facsimile 251-460-6131).

#### **ARTICLE XI - Representations and Warranties**

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

- (a) All covenants, conditions, restrictions, easements and similar matters affecting the Property have been complied with.
- (b) There is no pending or threatened litigation, arbitration, administrative action or examination, claim, or demand whatsoever relating to the Property or the furnishings and equipment contained in the premises and sold as part of this 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.
- (c) Seller has no knowledge of any pending or contemplated eminent domain, condemnation, or other governmental or quasi-governmental taking of any part or all of the Property.
- (d) Seller has not been notified of any possible future improvements by any public authority, any part of the cost of which might be assessed against any part

of the Property.

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

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

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

law, statutory or otherwise, to which either Seller or the Property may be subject.

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

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

11.4 All of the representations, warranties and covenants made by Seller in Article XI and elsewhere in this Contract shall survive the Closing for a period of two (2) years. Unless Buyer delivers notice to Seller of a breach of representation, warranty or covenant contained in Article XI or elsewhere in this Contract within two (2) years of the Closing Date, the representation, warranty or covenant shall be of no further force or effect.

## **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 Buyer 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 - Acceptance**

13.1 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 XIV - Broker**

14.1 Seller represents that it has not worked with a broker in connection with the sale of the real estate.

Signed by Buyer this 27<sup>th</sup> day of  
February, 2015.

BUYER:

**UNIVERSITY OF SOUTH ALABAMA**

By: Robert K. Davis  
Robert K. Davis

Signed by Seller this 28 day of  
February, 2015.

SELLER:

Lillie Sanders  
Lillie M. Sanders

Leola Sanders  
Leola Sanders

**University of South Alabama**  
**Disclosure of Information on Purchase of Real Property**  
**Pursuant to Alabama Act 2014-133**

Property address:

210 Cox Street  
Mobile, AL36604

Appraisal information:

Property identification: Key number 805891  
Appraisers' names: Jefferson Sims and Madeleine Downing  
Date of appraisal: 8/27/13  
Appraised value: \$1,375,000.00

Contract related to the purchase:

Attached as Exhibit I

Terms of the purchase:

Cash purchase

Sources of funds used in the purchase:

Bank loan



Exhibit I

COPY

**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 210 Cox St., Mobile, AL 36604.

2. **PRICE:** The purchase price for the Property shall be ONE-MILLION, TWO-HUNDRED AND SIXTY-TWO THOUSAND, SEVEN-HUNDRED AND TWENTY DOLLARS AND NO/100s (\$1,262,720.00). 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. **INSPECTIONS AND SURVEY:** Buyer, at Buyer's expense, may obtain certain inspections of the Property including, but not limited to, surveys, building inspections, environmental inspections and soil inspections, as well as inspections for compliance with



applicable laws and regulations affecting Buyer's intended use of the Property, it being Buyer's intent that such inspections confirm the safety and functional operability of the properties. Buyer's survey shall be in form and content sufficient for the removal of the standard survey exceptions from the title insurance policy. To facilitate these inspections Seller will disclose to Buyer all matters known to Seller adversely affecting the Property or its use. If the results of such inspections are such that Buyer, in Buyer's sole discretion, determines that the Property is not suitable for the purpose intended by Buyer, then in such event Buyer may cancel this contract and shall thereupon be entitled to the return of its earnest money, provided, however, that such cancellation must be made within fifty (50) days from date hereof. If Buyer does not cancel this contract pursuant hereto, by tendering the balance of the Purchase Price for the Property at the Closing, Buyer will have acknowledged it has conducted such additional inspections as it desires and acknowledged such Property, improvements and fixtures are in satisfactory order and repair. 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. IN PARTICULAR, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY DISCLAIMED. Seller shall have no responsibility for making any repairs or improvements to the Property pursuant to this contract. However, upon completion of such inspections Buyer will report the results of same to Seller and if the inspections reveal matters that adversely affect the safety and/or functional operability of the Property, as determined in the sole discretion of Buyer, Seller and Buyer may, but shall not be obligated to, engage in discussions regarding the correction of such adverse matters or the adjustment of the Purchase Price due to same, but no agreement resulting from such discussions shall be binding on either party unless reduced to a written agreement executed by both Buyer and Seller.

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  
207 N. Catherine St.  
Mobile, AL 36604  
Tel. No. (251) 694-3152  
Attention: Charles Hyland  
[chvland@mawss.com](mailto:chvland@mawss.com)

**Buyer:**  
University of South Alabama  
307 University Boulevard N.  
Administration Bldg. Room 170  
Mobile, AL 36688  
Tel. No. (251) 414-8138  
Attention: Steve Simmons  
[ssimmons@southalabama.edu](mailto:ssimmons@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 ninety (90) days from date hereof, 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.

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 shall have the right to occupy and utilize the Property and improvements thereon for three (3) months following the Closing Date, unless earlier vacated at the discretion of Seller, for the purposes for which it is being utilized at the time of execution of this contract, and for the consideration of the reduced price to said Property as represented in the purchase price set forth hereinabove. Should Seller desire to occupy the Property after the initial three (3) months has expired, Seller shall have the right to occupy the Property as hereinabove set forth for an additional period of up to five (5) months on a month to month basis at a rental cost of \$11,110.00 per month, payable on the first of each month in advance.

(b) During said occupation by Seller, Seller will be responsible for the cost and operations of maintaining the Property in the same condition as such Property was in at Closing, reasonable wear and tear excepted. Seller will purchase and maintain during said occupation general and excess liability insurance policies with limits and coverages as set forth on the attached Exhibit "B" and have Buyer named as an additional insured thereon. Seller will reimburse Buyer for the property insurance on the Property and pay for ordinary maintenance and utility expenses during such occupation. Seller will self-insure for Seller's personal property within the Property during Seller's occupancy of the Property. Further, during said occupation by Seller, Buyer may utilize designated parking spaces on the Property to be agreed upon by Buyer and Seller provided such use does not unreasonably interfere with Seller's normal operations.



(c) 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).

(d) This contract shall not be binding until executed by both parties and approved by Seller's Board at a duly authorized meeting and the Board of Trustees of the University of South Alabama at a duly authorized meeting or a committee/designee appointed by the Board of Trustees of the University of South Alabama at a duly authorized meeting.

**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: Stephett Simmons  
Its: Vice President Financial Affairs  
Date: 7/14/14

**SELLER:**

BOARD OF WATER AND SEWER  
COMMISSIONERS OF THE CITY  
OF MOBILE

By: Margaret V. Coffey  
Its: Chair  
Date: 7/15/14

**CONVEY DEED TO:** UNIVERSITY OF SOUTH ALABAMA

**EXHIBIT "A"**

MAWSS Training Center – 210 Cox St.

Beginning at the Northeast corner of Lot 3 in Block 5 of Lambert Subdivision recorded in Deed Book 107 page 262, thence Westerly 145 feet to the centerline of Maupin Street, thence Northerly 120 feet, thence Westerly 333.75 feet to a point, 20 feet North of the Northwest corner of Lot 1, Block 6, Lambert Subdivision, thence Southerly 297 feet South, thence Easterly 485.63 feet to the East line of Lot 6, Block 5, thence Northerly 173 feet to the point of beginning. Beings Lots 3, 4, 5 and part of 6, Block 5, Lots 1, 2, 3, 4, 5 and part of Lot 6 and 7 and part on the unnumbered lot all in Block 6 and part of Dunn Street (now vacated) and part Maupin Street (now vacated) all in Lambert Subdivision recorded in Deed Book 107 page 262.

Also:

From the Northeast corner of Lot 1, Block 5, Lamberts Subdivision of Espejo Tract recorded in Deed Book 107 page 262 from said beginning run Southerly along the East line of Lots 1 and 2 of Block 5, 100 feet to the Southeast corner of Lot 2, thence Westerly along the South line of Lot 2 and an extension thereof 145 feet, thence Northerly along with the part of the West line of Lots 1 and 2, 100 feet, thence Easterly along the projection of the North line of Lot 1, 145 feet to the beginning, being all Lots 1 and 2, Block 5, Lambert Subdivision as recorded in Deed Book 107 page 262, together with part of Maupin Street (now vacated).

Also:

Lot 14, Block 5, Lambert Subdivision according to plat thereof recorded in Map Book 107 page 262 of the records in the Office of the Judge of Probate, Mobile County, Alabama.

Recording References: Key Nos. 00805891, 00805908 and 00805800; RP 4923, Page 1422. This property was acquired from Durr Fillauer Medical, Inc.



EXHIBIT "B"

**GENERAL LIABILITY**

**Insurance Company:** Cincinnati Insurance Company

**A. M. Best Rating:** A+ XV

**Policy Term:** Annual

**Limits of Liability:**

Each Occurrence Limit	\$ 1,000,000
Personal & Advertising Injury Limit	\$ 1,000,000
General Aggregate Limit	\$ 2,000,000
Products & Completed Operations Aggregate Limit	Excluded
Damage to Premises Rented to You	\$ 500,000
Medical Expense Limit (Any One Person)	\$ 10,000

**Coverage Extensions:**

**Bodily Injury/Property Damage Liability arising from:**

- Premises & Operations
- Personal Injury & Advertising Injury Liability
- Independent Contractors
- Contractual Liability
- Employees as Additional Insureds
- Host Liquor Liability
- Incidental Medical Malpractice
- Broad Form Property Damage
- Extended Bodily Injury
- Additional Insured – Lessor of Premises as required by written contract

**Exclusions - But Not Limited to:**

- Absolute Pollution Exclusion
- Absolute Asbestos Exclusion
- Employment Practices Exclusion
- Design or Consulting Errors & Omissions
- Employee Benefits Errors & Omissions
- Injury to Leased Employees
- Employers Liability
- Directors and Officers Liability
- Care Custody and Control
- Mold, Fungus or Bacteria
- Cyber/Data Breach/Network Security
- **Products & Completed Operations**
- **Premises other than those designated in the Classifications**



## EXCESS LIABILITY

**Insurance Company:** Cincinnati Insurance Company

**A. M. Best Rating:** A+ XV

**Policy Term:** Annual

**Coverage Limits:**

Each Occurrence Limit	\$ 2,000,000
Aggregate Limit	\$ 2,000,000
Self-Insured Retention	\$ 0

**Coverage Form:**

Excess over primary limits outlined below, subject to policy forms, terms, conditions and exclusions.

**Underlying Schedule:**

General Liability

Each Occurrence Limit	\$ 1,000,000
General Aggregate Limit	\$ 2,000,000

**Exclusions - But Not Limited to:**

- Absolute Pollution Exclusion
- Absolute Asbestos Exclusion
- Employment Practices Exclusion
- Design or Consulting Errors & Omissions
- Employee Benefits Errors & Omissions
- Injury to Leased Employees
- Co-Employee Suits
- Mold, Fungus or Bacteria
- Cyber/Data Breach/Network Security
- **Products & Completed Operations**
- **Premises other than those designated in the Classifications**

**COPY**

**AMENDMENT NO. 1 TO CONTRACT  
FOR THE SALE AND PURCHASE OF REAL ESTATE**

WHEREAS, the undersigned Buyer and Seller have entered into a Contract for the Sale and Purchase of Real Estate ("Contract") for property known as 210 Cox St., Mobile, AL 36604 ("Property"), dated July 15, 2014.

WHEREAS, Paragraph 4 of said Contract allows Buyer a fifty (50) day period from date of execution of the Contract to cancel the Contract and obtain a return of its earnest money if Buyer determines the Property is not suitable for the purpose intended by Buyer.

WHEREAS, Buyer and Seller wish to extend said cancellation period so that Buyer may obtain additional inspections of the Property.

NOW, THEREFORE, Buyer and Seller, for the consideration set forth in the Contract, hereby agree to extend the cancellation period set forth in Paragraph 4 of the aforesaid Contract for an additional twenty (20) day period.

All other terms and conditions of said Contract shall remain unchanged and unaffected by this Amendment.

This the 3<sup>rd</sup> day of September, 2014.

UNIVERSITY OF SOUTH ALABAMA

By: Stephen H. Swanson

Its: Vice President for Financial Affairs

BOARD OF WATER AND SEWER  
COMMISSIONERS OF THE CITY  
OF MOBILE

By: Charles C. Fyfe, Jr.

Its: Director

15  
10/2/14  
11/15/14

COPY

**AMENDMENT NO. 2 TO CONTRACT  
FOR THE SALE AND PURCHASE OF REAL ESTATE**

WHEREAS, the undersigned Buyer and Seller have entered into a Contract for the Sale and Purchase of Real Estate ("Contract") for property known as 210 Cox St., Mobile, AL 36604 ("Property"), dated July 15, 2014.

WHEREAS, Paragraph 4 of said Contract allows Buyer a fifty (50) day period from date of execution of the Contract to cancel the Contract and obtain a return of its earnest money if Buyer determines the Property is not suitable for the purpose intended by Buyer; and,

WHEREAS, said cancellation period has previously been extended by twenty (20) days; and,

WHEREAS, Buyer and Seller wish to further extend said cancellation period so that Buyer may obtain additional inspections of the Property, and further wish to extend the closing date set forth in Paragraph 8 of said contract to allow for such inspections.

NOW, THEREFORE, Buyer and Seller, for the consideration set forth in the Contract, agree that the cancellation period set forth in Paragraph 4 of the aforesaid Contract is hereby extended to October 15, 2014, and hereby further agree the closing deadline date set forth in Paragraph 8 of the aforesaid Contract is hereby extended to November 15, 2014.

All other terms and conditions of said Contract shall remain unchanged and unaffected by this Amendment.

This the 24<sup>th</sup> day of September, 2014.

UNIVERSITY OF SOUTH ALABAMA

BOARD OF WATER AND SEWER  
COMMISSIONERS OF THE CITY  
OF MOBILE

By: *Stephen T. Emmons*  
VICE PRESIDENT FOR FINANCIAL  
AFFAIRS  
Its: 9/24/14

By: *Charles C. Hyland, Jr.* - Director  
Its: 9/24/14



**COPY**

**AMENDMENT NO. 3 TO CONTRACT  
FOR THE SALE AND PURCHASE OF REAL ESTATE**

WHEREAS, the undersigned Buyer and Seller have entered into a Contract for the Sale and Purchase of Real Estate ("Contract") for property known as 210 Cox St., Mobile, AL 36604 ("Property"), dated July 15, 2014.

WHEREAS, Paragraph 4 of said Contract allows Buyer a fifty (50) day period from date of execution of the Contract to cancel the Contract and obtain a return of its earnest money if Buyer determines the Property is not suitable for the purpose intended by Buyer; and,

WHEREAS, said cancellation period has previously been extended twice; and,


WHEREAS, Buyer and Seller wish to further extend said cancellation period so that Buyer may obtain additional inspections of the Property, and further wish to extend the closing date set forth in Paragraph 8 of said contract to allow for such inspections.

NOW, THEREFORE, Buyer and Seller, for the consideration set forth in the Contract, agree that the cancellation period set forth in Paragraph 4 of the aforesaid Contract is hereby extended to November 15, 2014, and hereby further agree the closing deadline date set forth in Paragraph 8 of the aforesaid Contract is hereby extended to December 9, 2014.

All other terms and conditions of said Contract shall remain unchanged and unaffected by this Amendment.

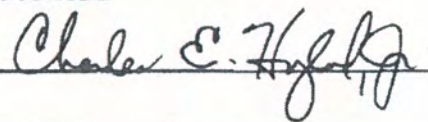
This the 13<sup>th</sup> day of October, 2014.

UNIVERSITY OF SOUTH ALABAMA

By: 

Its: Vice President for  
Financial Affairs

BOARD OF WATER AND SEWER  
COMMISSIONERS OF THE CITY  
OF MOBILE

By: 

Its: Director

**COPY**

**AMENDMENT NO. 4 TO CONTRACT  
FOR THE SALE AND PURCHASE OF REAL ESTATE**

WHEREAS, the undersigned Buyer and Seller have entered into a Contract for the Sale and Purchase of Real Estate ("Contract") for property known as 210 Cox St., Mobile, AL 36604 ("Property"), dated July 15, 2014.

WHEREAS, Paragraph 4 of said Contract allows Buyer a fifty (50) day period from date of execution of the Contract to cancel the Contract and obtain a return of its earnest money if Buyer determines the Property is not suitable for the purpose intended by Buyer; and,

WHEREAS, said cancellation period has previously been extended three times; and,

WHEREAS, Buyer and Seller wish to further extend said cancellation period so that Buyer may obtain additional inspections of the Property, and further wish to extend the closing date set forth in Paragraph 8 of said contract to allow for such inspections.

NOW, THEREFORE, Buyer and Seller, for the consideration set forth in the Contract, agree that the cancellation period set forth in Paragraph 4 of the aforesaid Contract is hereby extended to December 10, 2014, and hereby further agree the closing deadline date set forth in Paragraph 8 of the aforesaid Contract is hereby extended to December 30, 2014.

All other terms and conditions of said Contract shall remain unchanged and unaffected by this Amendment.

This amendment is effective as of the 15<sup>th</sup> day of November, 2014, but is executed on the 18<sup>th</sup> day of November, 2014.

UNIVERSITY OF SOUTH ALABAMA

By: Stephan H. Zoumaric

Its: Vice President for Financial  
Affairs

BOARD OF WATER AND SEWER  
COMMISSIONERS OF THE CITY  
OF MOBILE

By: Charles C. Hyland, Jr.

Its: Director



**COPY**

**AMENDMENT NO. 5 TO CONTRACT  
FOR THE SALE AND PURCHASE OF REAL ESTATE**

WHEREAS, the undersigned Buyer and Seller have entered into a Contract for the Sale and Purchase of Real Estate ("Contract") for property known as 210 Cox St., Mobile, AL 36604 ("Property"), dated July 15, 2014, which contract had an original closing deadline of ninety (90) days from date thereof; and,

WHEREAS, by agreement of the parties the original closing deadline has been extended four times and is now currently scheduled for December 30, 2014; and,

WHEREAS, due to the Christmas holidays and unavailability of necessary individuals, Buyer and Seller wish to further extend the closing date set forth in Paragraph 8 of said contract.

NOW, THEREFORE, Buyer and Seller, for the consideration set forth in the Contract, agree that the closing deadline date set forth in Paragraph 8 of the aforesaid Contract is hereby extended to January 9, 2015.

All other terms and conditions of said Contract, as amended, shall remain unchanged and unaffected by this Amendment.

This amendment is executed effective the 29<sup>th</sup> day of December, 2014.

UNIVERSITY OF SOUTH ALABAMA

BOARD OF WATER AND SEWER  
COMMISSIONERS OF THE CITY  
OF MOBILE

By: \_\_\_\_\_

By: Charles C. Huford, Jr.

Its: \_\_\_\_\_

Its: Director

**University of South Alabama**  
**Disclosure of Information on Purchase of Real Property**  
**Pursuant to Alabama Act 2014-133**

Property address:

104 Oklahoma Drive  
Mobile, AL36608

Appraisal information:

Property identification: Key number 491989  
No appraisal obtained, but source of valuation was comparable sales in the area  
Date of valuation: 3/26/15  
Amount of valuation: \$50,000.00

Contract related to the purchase:

Attached as Exhibit I

Terms of the purchase:

Cash purchase

Sources of funds used in the purchase:

Unrestricted funds

Exhibit I

REAL ESTATE PURCHASE CONTRACT

COPY

The **University of South Alabama** ("Buyer"), a public body corporate, whose principal address is 307 University Boulevard North, AD, Mobile, AL 36688 ("Buyer's Address"), hereby agrees to buy and the **Estate of Eunice A. Hall**("Seller"), whose principal address is 11031 Linbar Lane North, Semmes, AL 36575 ("Seller's Address"), hereby agree to sell for the consideration and upon the terms hereinafter set forth, the real estate described as:

Parcel: R022804173000017

Lots 33 and 34, Tulsa Parks Estates according to plat thereof recorded in Map Book 5, Page 113, of the records in the office of the Judge of Probate, Mobile County, Alabama TOGETHER WITH all rights, privileges, tenements, hereditaments and appurtenances thereunto belonging, or in anywise appertaining (the "Property").

**ARTICLE I - Purchase Price and Condition of Property**

1.1 The purchase price for the Property shall be **FIFTY THOUSAND AND NO/100 DOLLARS (\$50,000.00)** (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 shall pay the cost of acquiring a current title insurance policy for the benefit of Buyer, and the cost of document preparation, including a general warranty deed, with Seller's costs not to exceed the sum of One Thousand and No/100 Dollars (\$1,000.00). Buyer agrees to pay other closing and settlement costs. Property taxes shall be prorated as of the Closing date.



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

1.3 Seller understands that Buyer desires to buy the land only without any dwelling or structure of any kind located upon it. Seller hereby agrees, at Seller's expense, to have the current structure demolished with all debris associated therewith removed from the Property to Buyer's reasonable satisfaction prior to Closing. Seller may leave the structure's slab without violating this provision.

## **ARTICLE II – Earnest Money**

2.1 Buyer agrees to deliver earnest money in the amount of Five Thousand and No/100 Dollars (\$5000.00) to the Seller upon execution of this Real Estate Purchase Contract (the "Contract"), said earnest money to be returned to Buyer in full if the Closing of this transaction does not occur by the time specified herein due to Seller's failure to demolish the current structure on the property as described in section 1.3. If the Closing should not occur for any reason other than Seller's failure to demolish the structure, Buyer's earnest money will be returned to Buyer.

## **ARTICLE III - Closing**

3.1 Unless otherwise extended by the provisions of the "Contract" or by agreement in writing by the parties, the Closing of this transaction shall be held by or before May 31, 2015.

3.2 The Closing shall be held at the title insurance company of Buyer's choosing.

#### **ARTICLE IV - Possession**

4.1 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 such as yard maintenance and agrees to indemnify and hold Buyer harmless from any and all costs associated with same. Seller shall be responsible for insuring the property during the period of Seller's possession. Buyer shall bear no responsibility for risk of loss prior to the time that Seller vacates the property.

#### **ARTICLE V - Deed and Other Documents**

5.1 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.

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

- (a) The standard affidavit required by the title insurance company for the removal of the standard preprinted exceptions from the title insurance policy; and
- (b) A Certificate of Non-Foreign Status or other evidence satisfactory to Buyer and the title insurance company confirming that Buyer is not required to withhold or pay to the Internal Revenue Service any part of the "amount realized" as such term is

defined in the Internal Revenue Code of 1986, as amended, and the regulations promulgated pursuant thereto.

#### **ARTICLE VI - Title Insurance**

6.1 Buyer shall order a title insurance commitment or preliminary title report issued by the title company of Buyer's choosing (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.

6.2 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.

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

6.4 If the title insurance commitment or report shows any exceptions to title other than



those referred to in Article 6.1 above, Buyer shall notify Seller in writing of the defects in title within ten (10) days after receipt of the title commitment (with copies of all documents referred to therein). Seller shall then have ten (10) days after receipt of such notice in which to cure such defects and furnish to Buyer satisfactory proof that such defects have been cured. Seller agrees to use its best efforts to cure such defects. If Seller fails or is unable to cure such title defects within such ten (10) day period or to obtain title insurance which will give affirmative coverage to Buyer against loss as a result of such title defects, Buyer shall have the option, to be exercised in its sole discretion, to (i) proceed with Closing of this transaction subject to such title defects, or (ii) terminate this Contract.

#### **ARTICLE VII - Taxes and Assessments**

7.1 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.

7.2 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 VIII - Utility Charges**

8.1 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 IX - Risk of Loss**

9.1 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 X - Conditions to Closing**

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

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

(b) Survey. Buyer may obtain, at Buyer's sole cost, a certified ALTA survey, being a legal description, made by a licensed surveyor, showing the area, dimensions and location of the Property to the nearest monuments, streets, alleys or property, the location of all improvements, utilities and encroachments, 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.

(c) Title Insurance. Buyer shall have obtained from Seller a satisfactory title



insurance commitment or preliminary title report in accordance with Article VI above.

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

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

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

(g) Demolition by Seller of all existing structures upon the property and removal of all debris associated therewith, to Buyer's reasonable satisfaction.

#### **ARTICLE XI - Notices**

11.1 Unless otherwise provided herein, all notices shall be in writing and shall be deemed effective upon the earlier of either (a) personal delivery (b) facsimile or (c) deposit in the U.S. Mail, marked Certified or Registered, return receipt requested, with postage prepaid to Seller at 11031 Linbar Lane North Semmes, AL 36575, and to Buyer at 307 University Boulevard N., AD 170, Mobile, AL 36688 (facsimile 251-460-6131).

## **ARTICLE XII - Representations and Warranties**

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

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

(b) There is no pending or threatened litigation, arbitration, administrative action or examination, claim, or demand whatsoever relating to the Property or the furnishings and equipment contained in the premises and sold as part of this 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.

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

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

(e) To the best of Seller's knowledge, Seller: (i) has not used the Property for the storage, treatment, generation, production or disposal of any toxic or

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

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

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

12.2 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.

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

12.4 All of the representations, warranties and covenants made by Seller in Article XII and elsewhere in this Contract shall survive the Closing for a period of two (2) years. Unless Buyer delivers notice to Seller of a breach of representation, warranty or covenant contained in Article XII or elsewhere in this Contract within two (2) years of the Closing Date, the representation, warranty or covenant shall be of no further force or effect.

### **ARTICLE XIII - Miscellaneous**

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

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

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

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

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

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

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

13.8 Time is of the essence hereof.

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

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

#### **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 XI hereof) or personally delivered to the party making the offer.

**ARTICLE XV - Broker**

15.1 Seller represents that it has not worked with a broker in connection with the sale of the real estate.

Signed by Buyer this 26<sup>th</sup> day of  
March, 2015.

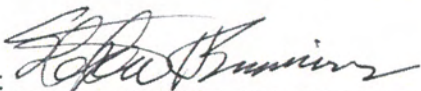
BUYER:

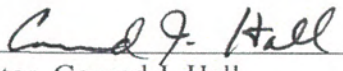
**UNIVERSITY OF SOUTH ALABAMA**

Signed by Seller this 2<sup>nd</sup> day of  
April, 2015.

SELLER:

**ESTATE OF EUNICE A. HALL**

By:   
Stephen H. Simmons

By:   
Executor, Conrad J. Hall

950  
200  
- 1150



STAT OF ALABAMA ) 2015062200 1/3  
COUNTY OF MOBILI ) Bk: LR7328 Pg: 69  
Document Type: D

Mobile County, Alabama  
I hereto certify this instrument  
filed on 12/08/2015 11:50:23 AM  
Don Davis Probate Judge  
Deed Tax \$ 00  
Mortgage Tax \$ 00  
Mineral Tax \$ 00  
No Tax \$ 1.00  
Judge Fee \$ 00  
S R Fee \$ 2.00  
Surcharge Fee \$ 00  
Recording Fee \$ 8.50  
TOTAL \$ 11.50  
2015062200  
Bk LR7328  
Pg 69

STATUTORY WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, Mary W. Wilson, a single person, hereinafter called the Grantor, in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00), cash, and other good and valuable considerations to said Grantor in hand paid by University of South Alabama, an Alabama public body corporate, hereinafter called the Grantee, the receipt of which is hereby acknowledged by the Grantor, does hereby, subject to the matters and things hereinafter set forth, grant, bargain, sell and convey unto the Grantee and unto the successors and assigns of said Grantee, forever, all that real property situate, lying and being in the County of Mobile, State of Alabama, described as follows, to-wit:

Lot 1 according to the plat of a part of Murrell Tract, which is on file in the Chancery Court at Mobile, Alabama, Case No 8408, in case of Marian Lewis vs. Mary Marshall, et al, which plat is recorded in Deed Book 135, at page 21 of the Probate Court Records of Mobile County, Alabama, said lot commencing at the Southeast intersection of Mobile Street and Murrell Lane running thence Eastwardly along the South side of Murrell Lane 118 feet and 9 inches to a point; thence Southwardly 165 feet to a point; thence Westwardly 116 feet 6 inches to a point on the East side of Mobile Street, thence Northwardly along the East line of Mobile Street 165 feet to the place of beginning.

Less and except a part of Grant Section 23, T-4-S, R 1-W identified as Tract Number 2 on project No. STPMID-7531 (600) in Mobile County, Alabama and being fully described as follows:

Commencing at a R/W monument found on the present R/W line of Mobile Street and is shown on the R/W map of State Highway Project No. HES-000S(26) left of the Mobile Street centerline at Station 15+20:

Thence N09°33'44"E along a line a distance of 1009.30 feet to a point on the required R/W line (said point offset 40.00 feet right of and perpendicular to project centerline at Station 18+78) and the Point of Beginning of the property herein to be conveyed

Thence S06°02'25"W and parallel with project centerline along the required R/W line a distance of 52.88 feet to a point on the grantor's property line;

Thence N65°02'22"W along the grantors property line a distance of 32.39 feet to a point on the present R/W line of Mobile Street;

Thence N04°56'00"E along the present R/W line a distance of 165.00 feet to a point on the present R/W line of Murrell Lane;

Thence S65°32'01"E along the present R/W line a distance of 66.73 feet to a point on the required R/W line;

Thence S55°57'08"W along the required R/W line a distance of 32.00 feet to a point on the required R/W line (said point offset 45.00 feet right of and perpendicular to project centerline at Station 19+58.89);

Thence S06°02'25"W and parallel with project centerline along the required R/W line a distance of 80.89 feet to a point on the required R/W line (said point offset 45.00 feet right of and perpendicular to project centerline at Station 17+78

Thence N83°57'35"W along the required R/W line a distance of 5.00 feet to the Point of Beginning of the property herein conveyed and containing 0.142 acres, more or less.

TOGETHER with all and singular the rights, privileges, tenements, hereditaments, members and appurtenances therunto belonging or in anywise appertaining;

TO HAVE AND TO HOLD the same unto the said Grantee and unto its successors and assigns, forever

This conveyance is made subject to the following:

1. Excepting therefrom such oil, gas and other minerals in, on and under said real property, together with all rights in connection therewith, as have previously been reserved by or conveyed to others than the grantors
2. Easements, reservations, restrictions, rights-of-way and setback lines as reserved and shown on record map of subdivision.
3. Easement granted to Alabama Power Company, its successors and assigns, as described in instrument 2011003504 dated January 14 2011 and recorded in Book 6742 Page 64 of the records in the Office of the Judge of Probate, Mobile County, Alabama.

IN WITNESS WHEREOF, the said Grantor has hereunto set h's/ her hand and seal on this the 7 day of December, 2015

Value of interest conveyed is \$6400.00.

Mary W. Wilson  
Mary W. Wilson

STATE OF ALABAMA

COUNTY OF MOBILE

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that Mary W. Wilson whose name is signed to the foregoing conveyance and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this the 7th day of December, 2015.

GYNTHIA S. LEONARD  
NOTARY PUBLIC  
My Commission Expires: 2-1-16  
GYNTHIA S. LEONARD  
NOTARY PUBLIC  
ALABAMA STATE AT LARGE  
MY COMMISSION EXPIRES:  
2-1-16

The following information is provided pursuant to Code of Alabama Section 40-22-1

Grantee's address is:  
6512 Stonemill Run  
Mobile AL 36695

Grantor's address is:  
6512 Stonemill Run  
Mobile, AL 36695

Property address is: 314 Mobile Street  
Mobile, Alabama

This instrument prepared by:

Ferrill S. Anders  
ANDERS, BOYD IT & BRADY P.C.  
Attorneys at Law  
One Maison, Suite 203  
3800 Airport Boulevard  
Mobile, Alabama 36608  
(251)344-0880  
ABB No. 80747



ABB

ANDERS, BOYETT & BRADY

FERRELL S. ANDERS  
DAVID A. BOYETT, III

November 17, 2015

J. DAVID BRADY, JR  
JASON D. SMITH

University of South Alabama  
Attn: Jim Spafford

VIA EMAIL

RE: 314 Mobile Street, Mobile, AL  
Our File No. 80747

Dear Jim:

We have examined the appropriate direct, reverse, UCC and judgment indices of the Office of the Judge of Probate of Mobile County, Alabama from May 12, 1999 to November 5, 2015 at 8:00 a.m. for the hereinbelow described real property. Based solely on the examination of the aforementioned records, we find the following information concerning said property:

Legal Description:

Lot 1, according to the plat of a part of Murrell Tract, which is on file in the Chancery Court at Mobile, Alabama, Case No. 8408, in case of Marian Lewis vs. Mary Marshall, et al, which plat is recorded in Deed Book 135, at page 21 of the Probate Court Records of Mobile County, Alabama, said lot commencing at the Southeast intersection of Mobile Street and Murrell Lane, running thence Eastwardly along the South side of Murrell Lane 118 feet and 9 inches to a point; thence Southwardly 165 feet to a point; thence Westwardly 116 feet 6 inches to a point on the East side of Mobile Street, thence Northwardly along the East line of Mobile Street 165 feet to the place of beginning. Less and except a part of Grant Section 23, T-4-S, R-1-W identified as Tract Number 2 on project No. STPMB-7531 (600) in Mobile County, Alabama and being fully described as follows:

Commencing at a R/W monument found on the present R/W line of Mobile Street and is shown on the R/W map of State Highway Project No. HES-000S(26) left of the Mobile Street centerline at Station 15+20;

Thence N09°33'44"E along a line a distance of 1009.30 feet to a point on the required R/W line (said point offset 40.00 feet right of and perpendicular to project centerline at Station 18+78) and the Point of Beginning of the property herein to be conveyed;

Thence S06°02'25"W and parallel with project centerline along the required R/W line a distance of 52.88 feet to a point on the grantor's property line;

Thence N65°02'22"W along the grantors property line a distance of 32.39 feet to a point on the present R/W line of Mobile Street;

One Mason Suite 203 3800 Airport Boulevard Mobile AL 36608  
Telephone 251 344 0880 Facsimile 251 344 3708 www.sbbllawfirm.com

Thence N04°56'00"E along the present R/W line a distance of 165.00 feet to a point on the present R/W line of Murrell Lane;

Thence S65°32'01"E along the present R/W line a distance of 66.73 feet to a point on the required R/W line;

Thence S55°57'08"W along the required R/W line a distance of 32.00 feet to a point on the required R/W line (said point offset 45.00 feet right of and perpendicular to project centerline at Station 19+58.89);

Thence S06°02'25"W and parallel with project centerline along the required R/W line a distance of 80.89 feet to a point on the required R/W line (said point offset 45.00 feet right of and perpendicular to project centerline at Station 17+78);

Thence N83°57'35"W along the required R/W line a distance of 5.00 feet to the Point of Beginning of the property herein conveyed and containing 0.142 acres, more or less.

**Record of Title:**

e-referenced property is vested in Mary W. Wilson by virtue of deed dated April recorded in Real Property Book 4710, Page 906 of the records in the Office of the Mobile County, Alabama less and except a portion conveyed by deed dated and recorded in Real Property Book 6325, Page 421 of the records in the Office of the Probate, Mobile County, Alabama.

**Mortgages and Vendor's Lien:**

None

**Taxes**

None. (No taxes are owed for past due ad valorem taxes for years 2012-2015 in the amount of \$1,200.00 (November 24, 2015). Key Number: 01421768

**Judgments, Lis Pendens, Federal Tax Liens and Other Defects:**

None. (A portion of the property was granted to Alabama Power Company, its successors and assigns, as described in Alabama Power Company Deed 2011003504 dated January 14, 2011 and recorded in Book 6742, Page 64 of the records in the Office of the Judge of Probate, Mobile County, Alabama.

**Other Matters:**

This limited report does not cover easements, reservations, restrictions, rights-of-way and setback lines as reserved or shown on record map of subdivision.

This limited report does not cover any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

This limited report does not cover title to all minerals of every kind and character including, but not limited to, oil and gas, in, on, and under subject property, together with all mining rights and other rights, privileges and immunities relating thereto

This limited report is based solely on the inspection of the records in the Office of the Judge of Probate of Mobile County Alabama, and this is no certification of title as to matters not of record. This report does not certify the accuracy of the manner in which the relevant documents are indexed by the probate office.

This title examination and limited report does not cover questions of zoning, restrictions, riparian rights, wetlands, covenants, homestead, bankruptcy proceedings or any loss due to environmental contamination or violation of environmental protection law

Sincerely,

**ANDERS, BOYETT & BRADY, P.C.**



**Ferrell S. Anders**

FSA/ad





9817178111111111

TO HAVE AND TO HOLD the same unto the said Grantee in the manner and interest as set forth and stated hereinabove, and unto the heirs and assigns of the said Grantee, forever.

AND, except as to taxes hereafter falling due, which are assumed by the Grantee, and except as to the above mentioned exceptions, the said Grantor, for himself, for his heirs, executors and administrators, hereby covenants with the Grantee, and Grantee's heirs and assigns, that Grantor is seized of an indefeasible estate in fee simple in said property, that said property is free from all encumbrances, and that Grantor does hereby warrant and will forever defend the title to and the possession of said property unto the said Grantee, and Grantee's heirs and assigns, against the lawful claims of all persons.

The unpaid balance of said purchase money, to-wit, the sum of FIFTY THOUSAND AND NO/100ths (\$50,000.00) DOLLARS, and to secure the payment of which a lien upon the property above described is hereby reserved, is evidenced by certain promissory note of an even date herewith, made by the Grantee and payable to said Grantor or order at Little Realty

1317 Springhill Avenue, Mobile, Al 36604, as follows:

The principal sum of \$50,000.00, plus interest, being due and payable in 180 monthly installments of FIVE HUNDRED AND NO/100ths (\$500.00) DOLLARS each, including interest on the unpaid principal balance from the date hereof at the rate of nine and 50/100ths percent (9.50%) per annum, the first such installment being due and payable on the 5th day of June, 1988, and a like installment being due and payable on the same day of each month thereafter, until the entire amount, both principal and interest, is paid in full.

The undersigned Grantee further agrees to pay a late charge equal to five percent (5.00%) of any installment of principal and interest due hereunder which is paid more than ten (10) days after the due date thereof.



described, and said costs, expenses, and attorney's fee, and any other sum or sums due the Grantor by virtue of any of the special liens herein declared, may be included in any judgment or decree rendered in connection with said litigation.

5. That if the Grantee should fail to perform any of the duties and obligations herein specified to be performed or done by the Grantee, the Grantor may perform same but shall not be under any duty so to do, and for any sum expended by the Grantor in this behalf, together with interest thereon at the same rate of interest per annum as hereinabove set forth, the Grantor shall have an additional lien, secured by these presents, on said property. The Grantee agrees to pay the Grantor any sum or sums so expended by the Grantor, with the interest thereon, within ten days after the mailing of written notice from the Grantor to the Grantee at the Grantee's place of residence last known to the Grantor of the expenditure of said sum or sums together with demand for payment thereof.

6. That upon the happening of a default in the payment of the said principal note, or of any installment of principal and interest thereon, or upon any default in the performance of any of the                    herein imposed on the Grantee, the Grantor shall have the right to sell said property for cash, at outcry in front of the main entrance of the Court House in the said County, to the highest bidder, after giving notice of the time, place and terms of sale by an advertisement published once a week for three successive weeks in a newspaper published in said County, to make proper conveyance to the purchaser; and the proceeds of said sale shall apply, first, to the payment of

APL 7 1 1960 9 10

the costs of said sale, including a reasonable attorney's fee, second, to the payment of the amount of said principal note, whether due or not, with the interest thereon to the date of sale, and any amounts that may be due the Grantor by virtue of any of the special liens herein declared, and third, the balance, if any, to be paid over to the said Grantee.

7. That at any sale under the powers herein, the Grantor may bid for and purchase said property like a stranger hereto, and in the event the Grantor should become the purchaser at such sale, either the auctioneer conducting the sale or the Grantor may execute a deed to the Grantor in the name of the Grantee.

8. That the word "Grantor", wherever herein used, include all Grantors named herein, and their respective heirs, executors, administrators, successors and assigns, and the word "Grantee", wherever herein used, shall include all Grantees named herein, and their respective heirs, executors, administrators, successors and assigns. The masculine pronoun, wherever herein used shall mean and include the appropriate feminine or neuter pronoun. Wherever herein used, the singular number shall include the plural, and the plural number shall include the singular.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals, in duplicate, this 29<sup>th</sup> day of April, 1960.

Carole Calbazana  
CAROLE CALBAZANA, Grantor

Mary W. Wilson  
MARY W. WILSON, Grantee



STATE OF PENNSYLVANIA  
COUNTY OF Phila.

I, the undersigned Notary Public in and for said County in said State, do hereby certify that CAROLE CALBAZANA, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, she executed the same voluntarily on the day the same bears date.

GIVEN under my hand and official seal this 29<sup>th</sup> day of April, 1989.

Patricia C. Higgins  
NOTARY PUBLIC

My commission expires \_\_\_\_\_



PHIL 710980911

STATE OF ALABAMA  
COUNTY OF MOBILE

I, the undersigned Notary Public in and for said County in said State, do hereby certify that MARY W. WILSON, whose name is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of the conveyance, she executed the same voluntarily on the day the same bears date.

GIVEN under my hand and official seal this 5<sup>th</sup> day of May, 1989.

Ruth L. Cottrell  
NOTARY PUBLIC

My commission expires 3/24/91

Grantee's Address:

314 McWhorter  
1 St. N. Air Force

This instrument prepared by  
JAMES D. BROOKS  
Attorney at Law  
P. O. Box 8158  
Mobile, Alabama 36688

State of Alabama Mobile COUNTY  
I certify this instrument was filed on  
May 12 1989 11:41:07 am

6

Doc Fee	610.00
Notary Fee	675.00
SR Fee	25.00
Recording	115.00
Total	1425.00



THIS INSTRUMENT PREPARED BY  
VINCE ALLISON  
ALABAMA DEPT. OF TRANSPORTATION  
MOBILE, ALABAMA 36618

STATE OF ALABAMA     )  
                                  )     PROJECT NO. STPMB-7531(600)  
                                  )     CPMS PROJ. NO. 100038120  
COUNTY OF MOBILE    )     TRACT NO. 3 REV 2  
                                  )     DATE: 04/26/07

FEE SIMPLE  
WARRANTY DEED

KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the sum of Eighty Thousand Fifty and No/100ths (\$80,050.00) dollar(s), cash in hand paid to the undersigned by the State of Alabama, Alabama Department of Transportation, the receipt of which is hereby acknowledged, I (we), the undersigned grantor(s), Mary W. Wilson, a widow have this day bargained and sold, and by these presents do hereby grant, bargain, sell and convey unto the State of Alabama the following described property.

A part of Grant Section 23, T-4-S, R-1-W identified as Tract Number 2 on project No. STPMB-7531(600) in Mobile County, Alabama and being fully described as follows:

Commencing at a R/W monument found on the present R/W line of Mobile Street and is shown on the R/W map of State Highway Project No. HES-0005(26) left of the Mobile Street centerline at Station 15+20;

Thence N09°33'44"E along a line a distance of 1009.30 feet to a point on the required R/W line (said point offset 40.00 feet right of and perpendicular to project centerline at Station 18+78) and the Point of Beginning of the property herein to be conveyed;

Thence S06°02'25"W and parallel with project centerline along the required R/W line a distance of 52.68 feet to a point on the grantor's property line;

Thence N65°02'22"W along the grantor's property line a distance of 32.39 feet to a point on the present R/W line of Mobile Street;

Thence N04°56'00"E along the present R/W line a distance of 165.00 feet to a point on the present R/W line of Murrell Lane;

Thence S65°32'01"E along the present R/W line a distance of 66.73 feet to a point on the required R/W line;

Thence S55°57'08"W along the required R/W line a distance of 32.00 feet to a point on the required R/W line (said point offset 45.00 feet right of and perpendicular to project centerline at Station 19+38.69);

Thence S06°02'25"W and parallel with project centerline along the required R/W line a distance of 60.69 feet to a point on the required R/W line (said point offset 45.00 feet right of and perpendicular to project centerline at Station 17+78);

Thence N83°57'35"W along the required R/W line a distance of 6.00 feet to the Point of Beginning of the property herein conveyed and containing 0.142 acres more or less.

And as shown on the right of way map of record in the Alabama Department of Transportation a copy of which is also deposited in the office of the Judge of Probate as an aid to persons and entities interested therein and as shown on the Property Sketch attached hereto and made a part hereof.

TO HAVE AND TO HOLD, unto the State of Alabama, its successors and assigns in fee simple forever.

AND FOR THE CONSIDERATION AFORESAID, I (we) do for myself (ourselves), for my (our) heirs, executors administrators, successors, and assigns covenant to and with the State of Alabama that I (we) am (are) lawfully seized and possessed in fee simple of said tract or parcel of land hereinabove described; that I (we) have a good and lawful right to sell and convey the same as aforesaid; that the same is free of all encumbrances, liens, and claims, except the lien for ad valorem taxes which attached on October 1, last past, and which is to be paid by the grantor; and that I (we) will forever warrant and defend the title thereto against the lawful claims of all persons whomsoever.

THE GRANTOR(S) HEREIN FURTHER COVENANT(S) AND AGREE(S), that the purchase price above-stated is in full compensation to him-her (them) for this conveyance.

IN WITNESS WHEREOF, I (we) have hereunto set my (our) hand(s) and seal this the

14 day of January, 2008.

*Mary W. Wilson*  
MARY W. WILSON

GRANTOR'S ADDRESS:  
STATE OF ALABAMA  
1701 14th WEST SERVICES RD N.  
MOBILE, ALABAMA 36682

State of Alabama-Mobile County  
County 05 Instrument No. 2108 00  
January 28 2008 3:14:54 PM  
NO TAX STAMP 0.00  
S R FEE 12.00  
RECORDING FEE 211.83  
TOTAL AMOUNT 224.83  
200801282  
Don Davis, Judge of Probate

ACKNOWLEDGMENT

RECORDING MEMORANDUM  
At the time of recording, this instrument was found to be acceptable for the level of recording indicated because of legibility, discolored paper, stains or other things.

Probate Court  
Mobile County

STATE OF ALABAMA )  
COUNTY OF Mobile )

I, Baurea B. Johnson a Notary Public, in and for said County in said State, hereby certify that MOBILE whose name (s) is 15 signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of this conveyance, she executed the same voluntarily on the day the same bears date.

Given under my hand and official seal this 14<sup>th</sup> day of April 2008

Baurea B. Johnson  
NOTARY PUBLIC

My Commission Expires 10-21-08



ACKNOWLEDGMENT FOR CORPORATION

STATE OF ALABAMA

County

I, \_\_\_\_\_ a \_\_\_\_\_ in and for said County, in said State, hereby certify that \_\_\_\_\_ whose name as \_\_\_\_\_ of the \_\_\_\_\_ Company, a corporation, is signed to the foregoing conveyance, and who is known to me, acknowledged before me on this day that, being informed of the contents of this conveyance, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, A.D. 20\_\_\_\_

Official Title \_\_\_\_\_

STATE OF ALABAMA PERMANENT DRAINAGE EASEMENT	STATE OF ALABAMA County of _____ Judge of Probate in and for said County. I hereby certify that the within conveyance was filed in my office at _____ Mo. on the _____ day of _____, 20____ and duly recorded in Deed Record _____ page _____ Dated _____ day of _____ 20____	Judge of Probate County, Alabama
--	--	-------------------------------------



THIS IS NOT A BOUNDARY SURVEY

R/W CPMS NO. 100038120

TRACT NUMBER 2	ALABAMA DEPT. OF TRANSPORTATION
OWNER: MARY W. WILSON	PROJ. NO. STPMB-7531(600)
	COUNTY: MOBILE
TOTAL ACREAGE: 0.420	SCALE: 1" = 50'
R/W REQUIRED: 0.142	DATE: 7/24/06
REMAINDER: 0.278	REVISED: 04/26/07

EASEMENT - DISTRIBUTION FACILITIES

STATE OF ALABAMA )
COUNTY OF MOBILE )
W.E. No. 48553-20-A010
APCO Parcel No. 7023153
Transformer No. N/A

20110035 4 Book-674 Page-64
Total Number of Pages: 2

State of Alabama-Mobile County
I certify this instrument is 1:24:00
January 04, 2011 @ 9:47:43 AM
DEPO FEE 80.50
S R. FEE 92.00
SURCHARGE 810.40
RECORDING FEES 88.00
TOTAL AMOUNT \$1070.90

This instrument prepared by: D. SCHWANN
Alabama Power Company
P. O. Box 2041
Birmingham, Alabama 35201

2011003504
Don Davis, Judge of Probate

Handwritten notes: 600, 1000, 1650, 1850

Handwritten note: Not witnessed woman

A. GRANTY KNOW ALL MEN BY THESE PRESENTS, That MARY W. WILSON, as grantor (s), (the "Grantor", whether one or more) for and in consideration of One and No/100 (\$1.00) and other good and valuable consideration, to Grantor as hand paid by Alabama Power Company, a corporation, the receipt and sufficiency of which are hereby acknowledged, does hereby grant to Alabama Power Company, its successors and assigns (the "Company"), the easements, rights and privileges described and designated in Section B below.

B. RIGHTS The easements, rights and privileges granted hereby are as follows
1. Overhead and/or Underground. The right from time to time to construct, install, operate and maintain, upon, over, under and across the Property described in Section C below, along a route selected by the Company which as generally shown on the Company's drawing, attached hereto and made a part hereof (which shows the general location of underground Facilities if any, by indicating an area not greater than ten feet (10') in width, all poles, towers, wires, conduits, fiber optics, cables, manholes, transformers, anchors, guy wires and other Facilities useful or necessary in connection therewith (collectively, "Facilities"), for the overhead and/or underground transmission and distribution of electric power and also the right to clear and keep clear a strip of land extending five feet (5') to each side of the center line of underground Facilities and fifteen feet (15') to each side of the center line of overhead Facilities; further, the right of the Grantor to grant and allow intermediate poles in line for overhead Facilities and the right to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs outside of the thirty foot (30') strip for overhead Facilities that, in the sole opinion of the Company, might now or may hereafter endanger, interfere with or fall upon any of the overhead Facilities.
2. Line Clearing. The right to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs that, in the sole opinion of the Company, might now or may hereafter endanger, interfere with or fall upon the electric transmission or distribution lines, poles, towers or other Facilities now or hereafter located adjacent to the Property described in Section C below along said route as selected by the Company generally shown on said drawing and also the right to clear and keep clear all trees, undergrowth, and other obstructions on property in which Grantor has an interest within fifteen feet (15') of the center line of the lines of such poles, towers or other Facilities.
3. Guy Wires and Anchors. The right to install, install and maintain anchor(s) of concrete, metal or other material on and under the Property described in Section C below, and to construct, extend and maintain guy wire lines such anchor(s) to structures now or hereafter erected adjacent to each Property or property adjacent thereto (collectively, "Guy Wire Facilities") along said route selected by the Company generally shown on said drawing; and also the right to trim and cut and keep trimmed and cut all dead, weak, leaning or dangerous trees or limbs that in the sole opinion of the Company, might now or may hereafter endanger, interfere with or fall upon any of the Guy Wire Facilities.

Grantor hereby grants to the Company all easements, rights and privileges necessary or convenient for the full enjoyment and use thereof, including without limitation the right of ingress and egress to and from the Facilities and Guy Wire Facilities, as applicable, and the right to excavate for installation, replacement, repair and removal thereof; and also the right to cut, remove and otherwise keep clear any and all structures, obstructions or obstacles of whatever character, on, under and above said Facilities and Guy Wire Facilities, as applicable.

G. PROPERTY DESCRIPTION. The easements, rights and privileges granted hereby shall apply to, and the word "Property" as used in this instrument shall mean, the following described real property situated in MOBILE County Alabama (the "Property"):

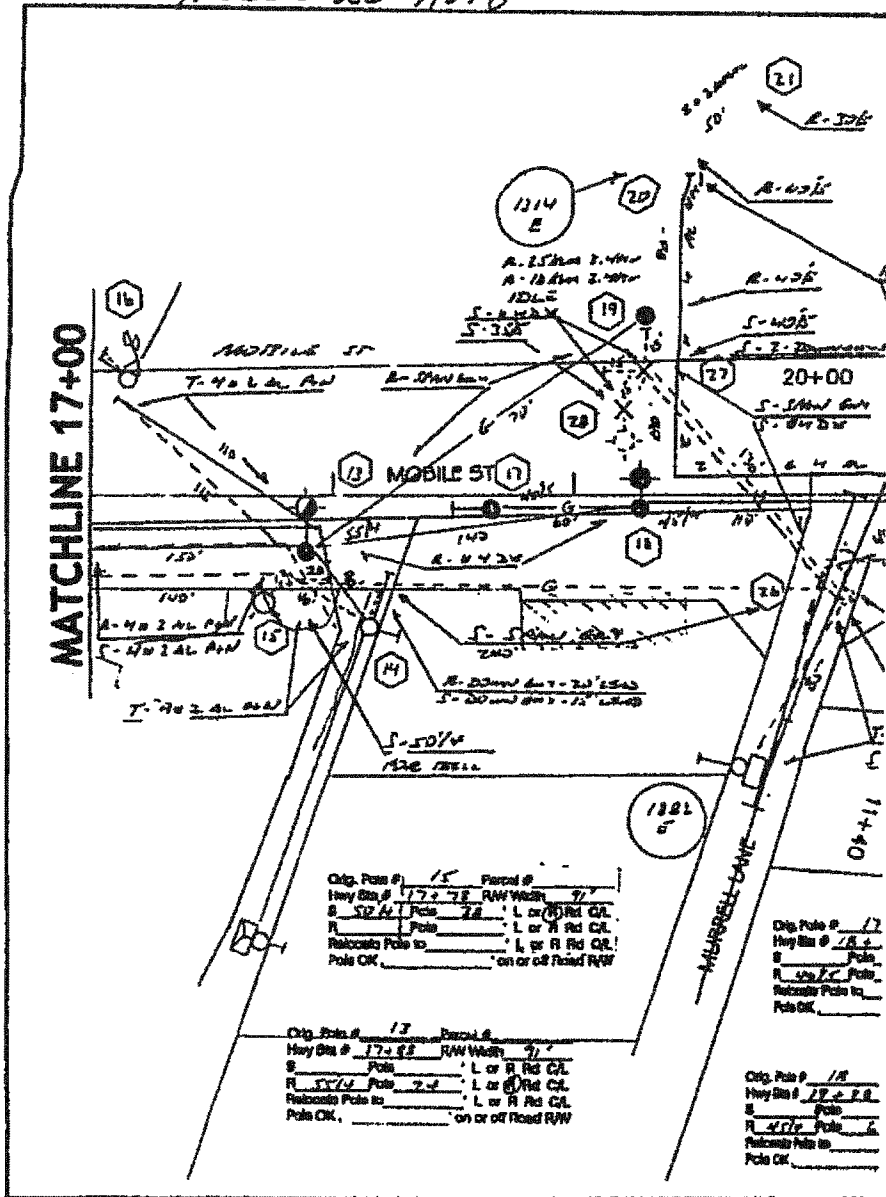
LYING IN THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 17 (GRANT SECTION 20, TOWNSHIP 4 SOUTH, RANGE 1 WEST AS RECORDED IN BOOK 4710 PAGE 800 IN THE OFFICE OF THE PROBATE JUDGE, MOBILE COUNTY, ALABAMA

D. ADDITIONAL PROVISIONS. In the event it becomes necessary or desirable for the Company to move any of the Facilities in connection with the construction or improvement of any public road or highway in proximity to the Facilities, Grantor hereby grants to the Company the right to relocate the Facilities and, as to such relocated Facilities, to exercise the rights granted above; provided, however, the Company shall not relocate the Facilities on the Property at a distance greater than ten feet (10') outside the boundary of the right of way of any such public road or highway as established or re-established from time to time. This grant and agreement shall be binding upon and shall inure to the benefit of Grantor, the Company and each of their respective heirs, personal representatives, successors and assigns and the words "Company" and "Grantor" as used in this instrument shall be deemed to include the heirs, personal representatives, successors and assigns of such parties.

TO HAVE AND TO HOLD the same to the Company, its successors and assigns, forever.
IN WITNESS WHEREOF the undersigned Grantor(s) has/have set her/his/their hand(s) and seal(s) this the 04th day of January 2011
Witness Richard Brown (Grantor) Mary W. Wilson (SEAL)
Witness (Grantor) (SEAL)
Witness (SEAL)
By:
Ac:

For Alabama Power Company Corporate Seal Embled Underneath Seal Line
All facilities on Grantor NO Station to Station STATION 15 + 48 NORTHWARD TO STATION 15 + 320

A 6553-20-A010



Orig. Pole # 15      Parcel #  
 Hwy Sta # 17+78      RW Width 7'  
 S 124' Pole 28      L or R Rd C/L  
 R 157' Pole 28      L or R Rd C/L  
 Relocate Pole to      L or R Rd C/L  
 Pole OK      on or off Road RW

Orig. Pole # 17      Parcel #  
 Hwy Sta # 17+88      RW Width 7'  
 S 157' Pole 28      L or R Rd C/L  
 R 157' Pole 28      L or R Rd C/L  
 Relocate Pole to      L or R Rd C/L  
 Pole OK      on or off Road RW

Orig. Pole # 17  
 Hwy Sta # 18+5  
 S Pole  
 R 157' Pole  
 Relocate Pole to  
 Pole OK

Orig. Pole # 18  
 Hwy Sta # 17+78  
 S Pole  
 R 157' Pole  
 Relocate Pole to  
 Pole OK

2.00  
2.00  
4.00

**CANCELLATION**

KNOW ALL MEN BY THESE PRESENTS, that the indebtedness secured by the Vendor's Lien contained in deed from Mary W. Wilson to Carole Calbazana dated April 29, 1999 and recorded in Real Property Book 4710 at Page 906, of the records of the Judge of Probate of Probate, Mobile County, Alabama, having been paid in full the same is hereby cancelled.

DONE this the 8 day of Jan., 2008.

*Carole Calbazana*  
CAROLE CALBAZANA

STATE OF ALABAMA )  
COUNTY OF MOBILE )

I, the undersigned Notary Public in and for said County and State hereby certify that Carole Calbazana, whose name is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, she executed the same voluntarily.

GIVEN under my hand and seal this the 8th day of January, 2008.

*Phyllis E. Levin*  
NOTARY PUBLIC  
My commission Expires: \_\_\_\_\_

COMMONWEALTH OF PENNSYLVANIA  
NOTARIAL SEAL  
PHYLLIS E. LEVIN, Notary Public  
City of Philadelphia, Phila. County  
My Commission Expires June 6, 2010

This Instrument Prepared By:  
J. Michael Druhan, Jr., Esq.  
Johnston Druhan LLP  
P.O. Box 154  
Mobile, Alabama 36601  
(251) 432-0738  
(251) 432-4874 Fax

State of Alabama-Mobile County	
I certify this instrument was filed on:	
January 29, 2008	3:10:06 PM
S. A. FEE	\$2.00
RECORDING FEE	\$2.00
<b>TOTAL AMOUNT</b>	<b>\$4.00</b>

200806290  
Tom Davis, Judge of Probate



**NOTICE OF AD VALOREM TAXES & NON-AD VALOREM ASSESSMENTS**

Key No.	01421768	Parcel No.	RD22907230002074.
Bill No.	TSW01421	Billed Owner	WILSON MARY W 660-2600
Municipality	MOBILE		
Location	314 MOBILE ST		
Tax Year	2015		

**Property Description**

LOT 1 MURRELL TRT 3/4 OF LOT 6 BLK 8 DBK 135/19 COM AT SE COR MOBILE ST & MURRELL LN RUN ELY ALG S/S OF MURRELL LN 118 FT 9 INS TH SLY 165 FT TH WLY 116 FT 6 INS TO ES OF MOBILE ST

**Property Information**

Tax Code	RP - Real Property
Class	2
Book/Page 1	4710-905
Book/Page 2	4193-364

**Previous Year Payments**

Pay Date	Tax Year	Pay Amount
12/29/11	2011	\$81.28
12/20/10	2010	\$81.28
12/28/09	2009	\$81.28

Municipal Tax and Fees	Amount
Municipal Tax - MOBILE	\$0.00
Demolition Tax	\$0.00
Fire Tax	\$0.00
Weed Tax	\$0.00
<b>TOTAL Fees and Municipal Tax</b>	<b>\$0.00</b>

Taxing Description	Amount
Land Value	\$6,400
Improvement Value	\$0
Features Value	\$0
Fair Market Value	\$6,400
Assessed Value	\$0

Total Tax: \$0.00

**TAX SALE**  
CONTACT THE LAND REDEMPTION DEPARTMENT FOR REDEMPTION INFORMATION  
(251) 574-8542

**\*Notes**  
Taxes due October 1st, delinquent after December 31st.  
Penalty and interest added January 1st

Amount shown does NOT reflect interest and penalties.

Remit payment to:  
Revenue Commissioner  
P.O. Drawer 1169  
Mobile, AL 36633

*Handwritten notes:*  
11/24/15 → \$497.51  
can - addent  
w/ payment  
deed

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

**PROPERTY ADDRESS:**

6019 Waringwood Drive South  
Mobile, Alabama 36608  
Key Number 491694

**APPRAISAL INFORMATION:**

No appraisal was obtained as the property was acquired via negotiated payment of State and County taxes due. The Mobile County Revenue Commission reported a 2015 Fair Market Value of \$9,000.00 for the property.

**CONTRACTS RELATED TO THE PURCHASE:**

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

**PURCHASE TERMS:**

Cash Purchase

**SOURCES OF FUNDS USED IN THE PURCHASE:**

Unrestricted Funds

EXHIBIT "A"

450  
200  
650

2011061952 Book-6837 Page-1956  
Total Number of Pages: 1

Deed Number 54412

THE STATE OF ALABAMA

KNOW ALL MEN BY THESE PRESENTS.

THAT WHEREAS, on the 10th day of April, 2000, the Probate Court of MOBILE County rendered a decree for sale of lands hereinafter described and conveyed, for payment of State and County taxes then due from LANGSTER, ALVIN H & ELOISE R the owner of said lands, and for the payment of fees, costs and expenses of and under said decree, and the sale had in execution thereof.

And WHEREAS, thereafter, to-wit, on the 1st day of June, 2000, under and in punuance of said decree, said lands were regularly offered for sale by the Tax Collector of MOBILE County for said taxes, fees, costs and expenses, and no person having bid a sufficient sum for the said lands to pay the same, said lands, were bid in for the State for the sum of said taxes, fees, costs, and expenses.

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

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

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

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

Parcel # 0228041720021040000000

Legal Description: LOT 13 BLK 29 HILLSDALE HGT S MBK 10 P 183 #SEC 17 T4S R2W #01 1-1 STY FR & BV RES W/1 BATH, 2 OP & 2 UTIL

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

In testimony whereof I have hereunto set my hand and seal this the 28th day of October, 2011

Approved: Robert Bentley Governor of Alabama By Julie P. Magee State Land Commissioner

THE STATE OF ALABAMA, MONTGOMERY COUNTY

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

Given under my hand this the 28th day of October, 2011

Gynthia C. Winkler Notary Public

My Commission expires: 4/14/2013

THIS INSTRUMENT WAS PREPARED BY  
DEANNA COMAN PROPERTY TAX DIVISION  
50 N. RIPLEY STREET  
MONTGOMERY, ALABAMA 36132

Deed Number 54412

State of Alabama Probate Courts  
Locality This instrument was filed on  
October 2, 2011 1:02:25 AM  
CO. TA. STAMP \$1.00  
S.W. FEE \$2.00  
RECORDING FEE \$3.50  
TOTAL AMOUNT \$6.50

2011063952  
Don Davis, Judge of Probate

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**HEALTH AFFAIRS**



**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**HEALTH AFFAIRS COMMITTEE**

**December 3, 2015  
3:04 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, December 3, 2015, at 3:04 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Chandra Brown Stewart, Scott Charlton, Bettye Maye, Arlene Mitchell, Ken Simon and Steve Stokes.

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

Administration and Others: Beth Anderson, Owen Bailey, Joe Busta, Lynne Chronister, Monica Curtis, Joel Erdmann, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, Mike Mitchell, John Pannelli, Danny Rickert, John Smith, Sam Strada, Becky Tate, Jean Tucker, Tony Waldrop, Scott Weldon and Kelly Woodford (Faculty Senate).

The meeting came to order and attendance roll was called. Dr. Stokes called for consideration of the minutes of the meeting held on September 3, 2015. On motion by Dr. Charlton, seconded by Ms. Brown Stewart, the minutes were approved unanimously.

Dr. Stokes moved for the approval of **ITEM 14**, a resolution authorizing the USA Hospitals medical staff appointments and reappointments for August, September and October 2015 (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on December 4, 2015). Dr. Charlton seconded, and Judge Simon asked Ms. Anderson for a summation of the credentials process. Ms. Anderson enumerated the rigorous standards through which USA physicians and health professionals are reviewed to assure clinical confidences. She stated the medical staffs are combined as one, as are the governing medical staff bylaws and rules and regulations. Mss. Anderson and Tate gave information on USA clinics and confirmation was given that the clinic staffs are subject to the same credentials process. The Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Stokes called for presentation of **ITEM 15**, a report on health affairs. Dr. Strada discussed the American Medical College Application Service (AMCAS), a function of the Association of American Medical Colleges, through which prospective students can submit academic transcripts and other documentation to apply for medical school at USA. He said the process for recruiting students for the class of 2020 is under way and he shared application statistics. He introduced a new recruitment video which featured current students, noting they are USA's best asset to attract potential students. He invited members of the Committee, Trustees and guests to visit the poster exhibition at the College of Medicine on December 4, a feature of Research Day activities.

Dr. Stokes asked for an update on regional care organization (RCO) implementation. Ms. Tate said the state is moving forward on the approval process. She stated the Gulf Coast Regional Care Organization (GCRCO) recently received network adequacy approval and the Administration is working diligently on key components. She added that Medicaid has been conservative in its communications. She said competing provider Centene applied in all five regions and approval of network adequacy for any of the regions is not known, whereas all provider-based RCOs, including The University of Alabama at Birmingham, have received approval. As to risk, she stated the Administration is taking a deliberate approach. President Waldrop agreed, stating the financial liability to the University is significant and timely receipt of answers is critical to a final decision on whether to move forward. Ms. Tate said legislation mandates an implementation effective date of October 1, 2016, and despite Medicaid's progress, capitation actuaries vary each month, putting RCOs at a disadvantage to commit. Should the GCRCO be the sole provider for the seven counties of the Gulf Coast region, she estimated annual capitation at \$400 million. Mr. Pannelli and Mr. Rickert shared insight on solvency requirements and Medicaid contract limitations on provider termination. Mr. Corcoran asked about dialogue between RCOs. Mr. Rickert acknowledged that the provider-based networks are working together. Ms. Tate said the GCRCO and other RCOs have contracted with Viva for claims administration in order to cut initial infrastructure costs. Mr. Rickert discussed Viva's investment in the state.

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully submitted:

---

Steven H. Stokes, M.D., Chair

**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.

# UNIVERSITY OF SOUTH ALABAMA

STANLEY K. HAMMACK  
VICE PRESIDENT  
HEALTH SYSTEM



TELEPHONE: (251) 471-7118  
2451 FILLINGIM STREET, SUITE 2110  
MOBILE, ALABAMA 36617-2293  
FAX: (251) 471-7751

## MEMORANDUM

**TO:** Tony G. Waldrop, Ph.D. *TGW*  
President

**FROM:** Stan Hammack *SKH*

**DATE:** February 3, 2016

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

### **Resolution – University of South Alabama Hospitals Medical Staff Appointments and Reappointments for November and December, 2015 and January 2016**

- Credentials Report – November and December, 2015 and January 2016

SKH:kh

Attachments

REG'D  
Office of the President

FEB 05 2016

University of South Alabama





**UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK  
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS  
FOR BOARD OF TRUSTEE APPROVAL  
November 2015, December 2015, January 2016**

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

NAME	USACWH			USAMC			AMBULATORY CARE		
	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser	Type/Stat	Category	Dept/Ser
Allison, Ronald C., MD	Reappt.	Consulting	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Consulting/Active	Internal Medicine
Ambrose, Michael R., MD	NA	NA	NA	Reappt.	Active	Emergency Medicine	NA	NA	NA
Ashbee, Susan J., MD	Reappt.	Courtesy	Pediatrics	NA	NA	NA	NA	NA	NA
Atkinson, Tangelia C., MD	Reappt.	Active	Family Medicine	Reappt.	Active	Family Medicine	Reappt.	Active	Family Medicine
Awan, Farida N., MD	Reappt.	Refer & Follow	Pediatrics	NA	NA	NA	NA	NA	NA
Barros, Mary L., CRNP	NA	NA	NA	New Appt.	Allied	Emergency Med.	NA	NA	NA
Batten, Lynn, MD	Reappt.	Active	Pediatrics	Reappt.	Consulting	Pediatrics	Reappt.	Active/Consulting	Pediatrics
Bentley, James R., MD	Reappt.	Courtesy	OBGYN	NA	NA	NA	NA	NA	NA
Berry, Michael A., MD	NA	NA	NA	Reappt.	Consulting	Internal Medicine	NA	NA	NA
Bhadkamkar, Sanjyot S., CRNP	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine
Blanc, Beth E., CNIM	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	NA	NA	NA
Brewer, Justin F., PA	Reappt.	Allied	Orthopaedics	Reappt.	Allied	Orthopaedics	NA	NA	NA
Bright, Karen L., RN	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Chason, Danielle N., CRNP	Reappt.	Allied	Neurosurgery	Reappt.	Allied	Neurosurgery	Reappt.	Allied	Neurosurgery
Clark, Shawn B., MD	Reappt.	Courtesy	Neurosurgery	Reappt.	Courtesy	Neurosurgery	NA	NA	NA
Clemens, Elizabeth H., MD	Reappt.	Active	Anesthesiology	Reappt.	Active	Anesthesiology	NA	NA	NA
Coleman, Anthony L., PCT	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Dixon, Janie M., RN	Reappt.	Allied	Internal Medicine	Reappt.	Allied	Internal Medicine	NA	NA	NA
Engeriser, Jason L., MD	Reappt.	Consulting	Psychiatry	Reappt.	Consulting	Psychiatry	NA	NA	NA
Everett, Kevin L., MD	New Appt.	Active	Anesthesiology	New Appt.	Active	Anesthesiology	NA	NA	NA
Fagan, Karen A., MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Fagbongbe, Eniola O., MD	Reappt.	Courtesy	OBGYN	Reappt.	Courtesy	OBGYN	NA	NA	NA
Fleck, Lorie G., MD	New Appt.	Consulting	Surgery	NA	NA	NA	NA	NA	NA
Flotte, Edward, MD	NA	NA	NA	Reappt.	Active	Neurosurgery	NA	NA	NA
Fouty, Brian W., MD	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine	Reappt.	Active	Internal Medicine
Franks, Ronald D., MD	Reappt.	Consulting	Psychiatry	Reappt.	Consulting	Psychiatry	Reappt.	Consulting	Psychiatry
Frego, Jennifer, CRNP	Reappt.	Allied	Pediatrics	NA	NA	NA	Reappt.	Allied	Pediatrics
Gore, Lisa, CRNP	Reappt.	Allied	Pediatrics	NA	NA	NA	Reappt.	Allied	Pediatrics
Greer, Ashley T., PA	New Appt.	Allied	Surgery	New Appt.	Allied	Surgery	New Appt.	Allied	Surgery
Gremse, David A., MD	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics	Reappt.	Active	Pediatrics
Hagan, Philip M., CNIM	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	NA	NA	NA
Harris, Curtis N., MD	Reappt.	Active	Surgery	Reappt.	Active	Surgery	Reappt.	Active	Surgery
Hart, James F., DO	Reappt.	Consulting	Psychiatry	Reappt.	Consulting	Psychiatry	NA	NA	NA
Hayes, Jr., John W., CRNP	New Appt.	Allied	Psychiatry	New Appt.	Allied	Psychiatry	NA	NA	NA
Holladay, Laurel, CRNP	Reappt.	Allied	Pediatrics	NA	NA	NA	Reappt.	Allied	Pediatrics
Hood, Nicole D., CNIM	New Appt.	Allied	Neurosurgery	New Appt.	Allied	Neurosurgery	NA	NA	NA
Howell, IV, John B., MD	New Appt.	Active	Internal Medicine	New Appt.	Active	Internal Medicine	New Appt.	Active	Internal Medicine
Huffmaster, Candace E., CRNP	NA	NA	NA	Reappt.	Allied	Surgery	Reappt.	Allied	Surgery
Ichim, Stefan, MD	Reappt.	Active	Anesthesiology	Reappt.	Active	Anesthesiology	NA	NA	NA



UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK  
 MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS  
 FOR BOARD OF TRUSTEE APPROVAL  
 November 2015, December 2015, January 2016

NAME	USACWH			USAMC			AMBULATORY CARE		
<b>Retired/Resigned</b>									
Name	Reason	Date	Dept.	Reason	Date	Dept.			
Blair-Elortegui, Judy V., MD	Resigned	8/31/2015	Pediatrics	Resigned	8/31/2015	Pediatrics			
Bosarge, Patrick L., MD	NA	NA	NA	Resigned	11/29/2015	Surgery			
Bullock, Lesli A., CRNP	Resigned	11/30/2015	Orthopaedics	Resigned	11/30/2015	Orthopaedics			
Busby, Melanie D., PA	Resigned	7/31/2015	Orthopaedics	Resigned	7/31/2015	Orthopaedics			
Cordina, Steve M., MD	Resigned	11/30/2015	Neurology	Resigned	11/30/2015	Neurology			
Funke, Lillian C., CNM	Resigned	10/12/2015	OBGYN	NA	NA	NA			
Gale, Tammy, RN	Resigned	9/30/2015	Pediatrics	NA	NA	NA			
Ghelmez, Florin, MD	Resigned	10/13/2015	Psychiatry	Resigned	10/13/2015	Psychiatry			
Lee, Rowdy C., MD	Resigned	12/31/2015	Orthopaedics	Resigned	12/31/2015	Orthopaedics			
Liu, Gerald, MD	Resigned	10/31/2015	Family Medicine	Resigned	10/31/2015	Family Medicine			
McClain, Joseph M., MD	Resigned	9/1/2015	Surgery	Resigned	9/1/2015	Surgery			
P'Pool, Astra Autumne, RN	Resigned	12/4/2015	Internal Medicine	Resigned	12/4/2015	Internal Medicine			
Rosenbohm, Amy, RN	Resigned	9/30/2015	Pediatrics	NA	NA	NA			
Russo, Suzanne M., MD	Resigned	11/27/2015	Radiology	Resigned	11/27/2015	Radiology			
Stephens, Joshua A., DO	Resigned	12/28/2015	Psychiatry	Resigned	12/28/2015	Psychiatry			

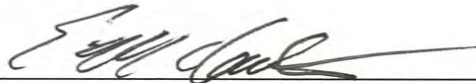
**UNIVERSITY OF SOUTH ALABAMA HEALTHCARE NETWORK  
MEDICAL STAFF APPOINTMENTS/REAPPOINTMENTS  
FOR BOARD OF TRUSTEES APPROVAL**

November 2015, December 2015, and January 2016

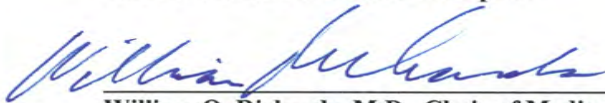
**LEGEND:**

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

**RECOMMENDED BY:**



Charles E. McCathran, M.D., Chair of Medical Executive Committee or Chair Elect  
USA Children's & Women's Hospital



William O. Richards, M.D., Chair of Medical Executive Committee or Chair Elect  
USA Medical Center



Stanley K. Hammack  
Vice President, USA Health Systems



**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.

## MEMORANDUM

DATE: February 18, 2016

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

FROM: Michael A. Finan, M.D.   
Abraham A. Mitchell Chair  
Director, USA Mitchell Cancer Institute

SUBJECT: Agenda Item for March 4, 2016 University of South Alabama Board of Trustees Meeting-  
Declaration of Agreement between The University of Alabama at Birmingham (UAB) and  
The University of South Alabama (USA)

Attached is a resolution for consideration by the USA Board of Trustees concerning the adoption of the above-referenced Declaration of Agreement between USA and UAB, which discusses the development of a cancer research consortium partnership, as defined by the attached, between the two institutions. With your approval, this item will be presented to the Board of Trustees for consideration. Further, I recommend the adoption of the resolution by the Board of Trustees.

MAF/sda

Attachment

REC'D  
Office of the President

FEB 18 2016

University of South Alabama

**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 partnerships<sup>1</sup> 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

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<sup>1</sup> 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



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President, University of  
Alabama at Birmingham

Date

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President, University of  
South Alabama

Date

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

Date

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

Date

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Vice-President for Research  
and Economic Development

Date

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Vice-President for Research  
and Economic Development

Date

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Chief Executive Officer,  
UAB Health System

Date

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Vice-President for Health  
Systems

Date

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Director, UAB  
Comprehensive Cancer Center

Date

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Director, USA Mitchell  
Cancer Institute

Date

**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.



University of South Alabama  
Office of Development and Alumni Relations  
5910 USA South Drive, Mobile Townhouse  
Mobile, AL 36688  
(251) 460-7616 ~ Fax: (251) 460-7647

VIA EMAIL

## MEMORANDUM

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DATE: February 12, 2016

TO: President Waldrop

FROM: Joseph F. Busta, Jr.  
Vice President  
Development and Alumni Relations

CC: Monica Ezell  
Executive Assistant

Stan Hammack  
Vice President  
Health Systems

SUBJECT: Operating Room Naming in Honor of Dr. William Jefferson Terry at The USA Children's and Women's Hospital

I write on behalf of Vice President Stan Hammack to personally recommend the resolution attached for consideration by the USA Board of Trustees at their meeting on March 4, 2016. This resolution is to name an operating room in honor of Dr. William Jefferson Terry at The USA Children's and Women's Hospital.

JFBjr/mda

Attachment

xc: Owen Bailey  
Beth Mattei  
Travis Grantham w/my card

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**ACADEMIC AND  
STUDENT AFFAIRS**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**ACADEMIC AND STUDENT AFFAIRS COMMITTEE**

**December 3, 2015  
3:30 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, December 3, 2015, at 3:30 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

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

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

Administration and Others: Zeke Aull, Joe Busta, Lynne Chronister, Monica Curtis, Joel Erdmann, Mike Finan, Happy Fulford, Charlie Guest, Stan Hammack, Mike Haskins, Mike Mitchell, Sean Powers, Alison Rudd, John Smith, Sam Strada, Jean Tucker, Tony Waldrop, Scott Weldon and Kelly Woodford (Faculty Senate).

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

Ms. Maye called upon Dr. Guest for presentation of **ITEM 16**, a resolution to award an honorary doctorate degree to civil rights icon and Fall Commencement Speaker U. S. Congressman John Lewis (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on December 3, 2015). On motion by Sheriff Mixon, seconded by Mr. Windom, the Committee voted unanimously to recommend approval by the Board of Trustees. Mr. Windom and Capt. Jenkins commended the Administration for inviting high-caliber individuals to campus. President Waldrop referenced USA's Common Read selection for 2015-2016 *Cradle of Freedom: Alabama and the Movement that Changed America*, written by USA Writer In Residence Mr. Frye Gaillard, in which Representative Lewis is mentioned.

Dr. Guest addressed **ITEM 17**, a resolution appointing retired faculty as set forth to the rank of Professor Emeritus or Assistant Professor Emeritus and conveying the Board's appreciation for their accomplishments and dedication to the University. On motion by Mr. Windom, seconded by Capt. Jenkins, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Guest presented **ITEM 18**, a resolution to approve sabbatical awards for faculty as set forth. On motion by Captain Jenkins, seconded by Mr. Windom, the Committee voted unanimously to recommend approval by the Board of Trustees.



Ms. Maye called upon Dr. Guest to deliver a report on the activities of the Division of Academic Affairs, **ITEM 19**. Dr. Guest introduced Dr. Alison Rudd, College of Medicine Assistant Professor who serves as Operations Director for the USA Student-Run Free Clinic (SRFC), a program that facilitates wellness services to the homeless population. As photos were shown, Dr. Rudd and SRFC volunteers provided an overview of the interdisciplinary initiative and program statistics were shared. The students gave insight on the rewarding experiences gained. Since opening in March 2014, 500 student volunteers and 40 faculty members have participated in the project.

Ms. Chronister introduced Dr. Sean Powers, Professor and Chair of the Department of Marine Sciences and chief scientist at the Dauphin Island Sea Lab (DISL). Dr. Powers discussed USA's longstanding partnership with the DISL and its commitment to fisheries development, marine ecosystem research and training of scientists. An informational video was shown about snapper and lionfish populations in the Gulf of Mexico. Dr. Powers talked about efforts to change legislation that restricts snapper harvesting and he answered questions.

Ms. Maye called on Mr. Shumock to give an update on the work of the committee charged with exploring the feasibility of constructing a football stadium on campus. Mr. Shumock reported on work under way by hired consultants Hunden and Populous, as well as the CDFL Architects and Engineers in relation to USA game day operations at Ladd-Peebles Stadium. The resulting reports will guide decisions.

Ms. Maye called for presentation of **ITEM 20**, the annual report on research activity for fiscal year 2015. Ms. Chronister summarized extramural funding and proposal development by college/unit, as shown in materials comparing results with those for fiscal year 2014. She reported a decrease in funding despite an increase in proposal production.

Chief Aull delivered a report on campus safety, **ITEM 21**. He detailed Clery crime statistics for the period 2010-2014, which showed a steady decline of the various types of crime reported to University Police. He advised of partnerships with the Mobile Police Department, the Sheriff's Department and the FBI, and shared information on efforts to train faculty, staff and students on proper response for emergency situations. He said the new program "Don't Cancel the Class" provides opportunities to educate students when faculty would otherwise need to cancel class. He stated the bike patrol presence on campus has been well received.

Ms. Maye conveyed excitement for the visit of U. S. Representative John Lewis for Fall Commencement.

There being no further business, the meeting was adjourned at 4:10 p.m.

Respectfully submitted:

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Bettye R. Maye, Chair

**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*.




## MEMORANDUM

University of South Alabama

Office of Academic Affairs

February 23, 2016

TO: Tony Waldrop  
FROM: David Johnson  
SUBJECT: Honorary Doctorate Committee Recommendation

A handwritten signature in blue ink, appearing to be 'DJ', is written over the 'FROM' line and extends upwards and to the right.

---

The University Honorary Doctorate Committee recommends, by majority vote, awarding an honorary degree to Cynthia Tucker Haynes.

Therefore, on behalf of the Honorary Doctorate Committee, I am pleased to forward to you the following recommendation:

- That the University of South Alabama award to Cynthia Tucker Haynes the honorary degree of Doctor of Humane Letters (L.H.D.), *honoris causa* on the occasion of its Spring Commencement, 2016.

Thank you.

GDJ:njc

REC'D  
Office of the President

FEB 23 2016

University of South Alabama

**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.

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**BUDGET AND FINANCE**



**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**BUDGET AND FINANCE COMMITTEE**

**December 3, 2015**

**2:55 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, December 3, 2015, at 2:55 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: Chandra Brown Stewart, Scott Charlton, Steve Furr, Ron Jenkins, Bettye Maye, Bryant Mixon, John Peek, Ken Simon and Mike Windom.

Administration and Others: Joe Busta, Lynne Chronister, Monica Curtis, Joel Erdmann, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, Mike Mitchell, John Smith, Sam Strada, Jean Tucker, Tony Waldrop, Scott Weldon and Kelly Woodford (Faculty Senate).

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

Mr. Corcoran called upon Mr. Weldon to discuss **ITEM10**, the 2015 University of South Alabama Financial Report. Mr. Weldon discussed highlights of the document, noting that the net position of the University increased about \$9.2 million for the fiscal year ended September 30, 2015, as compared to a \$6.6 million increase reported for 2014. He stressed the significance of the increase given the downturn in investments and the approximate \$8.5 million reduction in swaption value in 2015. He stated a new component unit was added this year, the fair value of the Gulf Coast Regional Care Organization (GCRCO). Also discussed was the effect of the implementation of GASB Statement 68 that deals with pension reporting.

Mr. Corcoran summarized **ITEM 11**, a resolution appointing Mr. Colby Cooper and reappointing Mr. David Trent to the USA Foundation for Research and Commercialization (FRAC) Board of Directors (for copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on December 4, 2015). Mr. Weldon reminded the

Committee that this entity was created a couple of years ago for the purpose of promoting intellectual research. On motion by Dr. Stokes, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Corcoran called upon Mr. Weldon for presentation of **ITEM 12**, a resolution authorizing the President to award to and execute a contract with the successful lowest responsible bidder for constructing a medical office building in Fairhope, Alabama, consistent with applicable laws and within the University's budget constraints. Mr. Weldon discussed acquisition of the land and said the plans for a 12,000-square-foot building are under review by the Alabama Building Commission. He said proceeds from the 2015 bond issue would provide the funds needed for the project. Mr. Peek asked about adherence with LEED (Leadership in Energy and Environmental Design) standards. Mr. Weldon and Dr. Finan said LEED guidelines would be applied, which is a less costly avenue than meeting LEED certification. On motion by Mr. Yance, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Corcoran introduced **ITEM 13**, a resolution authorizing a one-time salary supplement for all current salaried or hourly regular faculty, staff and administrative employees in the University General Division and the Health Division in a lump sum of \$1,000. President Waldrop stated that, given the University's finances at the present time, a one-time salary supplement is more prudent than giving ongoing raises. On motion by Ms. Mitchell, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval by the Board of Trustees.

There being no further business, the meeting was adjourned at 3:04 p.m.

Respectfully submitted:

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E. Thomas Corcoran, Chair

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

**Basic Financial Statements**

**Three Months Ended December 31, 2015 and 2014**

**Unaudited**

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

**Quarterly Financial Statements**

**Three Months Ended December 31, 2015 and 2014**

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# University of South Alabama

## Management's Discussion and Analysis

### Introduction

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

### Financial Highlights

At December 31, 2015, the University had total assets and deferred outflows of \$1,121,665,000, total liabilities and deferred inflows of \$912,956,000 and net position of \$208,709,000. University net position increased \$13,657,000 for the three months ended December 31, 2015 compared to an increase of \$17,289,000 for the three months ended December 31, 2014. An overview of each statement is presented below along with a financial analysis of the transactions impacting the statement.

Condensed financial statements for the University at and for the three months ended December 31, 2015 and 2014 follow (in thousands) (Note: The condensed financial statements at and for the three months ended December 31, 2014 do not reflect the impact of the implementation of GASB Statement No. 68):

### Condensed Statements of Net Position

	<u>2015</u>	<u>2014</u>
<i>Assets</i>		
Current	\$ 273,787	\$ 356,722
Capital and other noncurrent assets	825,036	714,592
Deferred outflows	<u>22,842</u>	<u>696</u>
	<u>1,121,665</u>	<u>1,072,010</u>
<i>Liabilities</i>		
Current	159,073	147,497
Noncurrent	717,992	407,674
Deferred inflows	<u>35,891</u>	<u>-</u>
	<u>912,956</u>	<u>555,171</u>
<i>Net Position</i>		
Net Investment in Capital Assets	258,219	233,146
Restricted, nonexpendable	44,599	41,049
Restricted, expendable	61,509	61,750
Unrestricted	<u>(155,618)</u>	<u>180,894</u>
	<u>\$ 208,709</u>	<u>\$ 516,839</u>



## University of South Alabama

### Management's Discussion and Analysis (continued)

#### Condensed Statements of Revenues, Expenses and Changes in Net Position

	<u>2015</u>	<u>2014</u>
<i>Operating revenues</i>		
Tuition and fees	\$ 49,531	\$ 46,222
Hospital revenues, net	69,747	62,160
Other	<u>39,425</u>	<u>39,939</u>
	158,703	148,321
<i>Operating expenses</i>		
Salaries and benefits	118,459	109,574
Supplies and other services	44,795	38,073
Other	<u>12,649</u>	<u>12,095</u>
	<u>175,903</u>	<u>159,742</u>
Operating loss	(17,200)	(11,421)
<i>Nonoperating revenues</i>		
State appropriations	26,244	25,993
Other, net	<u>1,815</u>	<u>2,127</u>
Net nonoperating revenues, net	<u>28,059</u>	<u>28,120</u>
Other revenues, expenses, gains or losses	<u>2,798</u>	<u>590</u>
Increase in net position	13,657	17,289
<i>Net Position</i>		
Beginning of period	<u>195,052</u>	<u>499,550</u>
End of period	<u>\$ 208,709</u>	<u>\$ 516,839</u>

#### Analysis of Financial Position and Results of Operations

##### *Statements of Net Position*

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

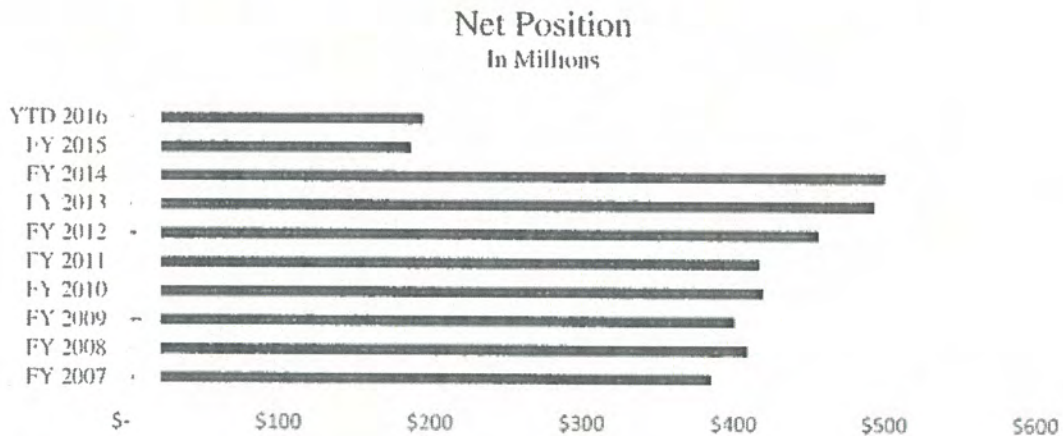
# University of South Alabama

## Management's Discussion and Analysis (continued)

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

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

Net position represents the residual interest in the University's assets after liabilities are deducted and are classified into one of four categories as shown on the following illustration, as of the end of the current reporting period:



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

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

# University of South Alabama

## Management's Discussion and Analysis (continued)

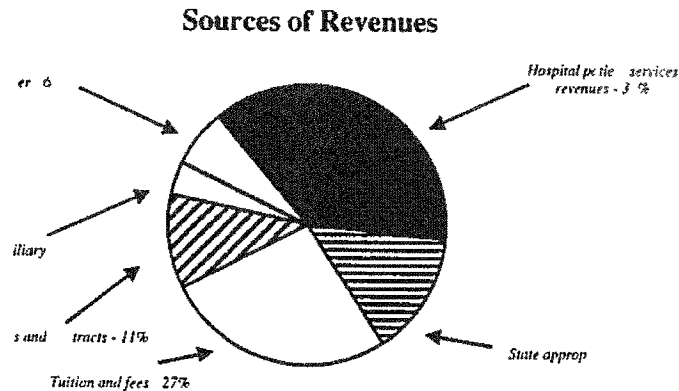
Although unrestricted net position is not subject to externally imposed stipulations, substantially all of the University's unrestricted net position has been designated for various academic and research programs and initiatives as well as capital projects. Also included in unrestricted net position at December 31, 2015 is the impact of the net pension liability recorded pursuant to the requirements of GASB Statement No. 68. The impact is not reflected in unrestricted net position as of December 31, 2014.

### *Statements of Revenues, Expenses and Changes in Net Position*

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

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

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

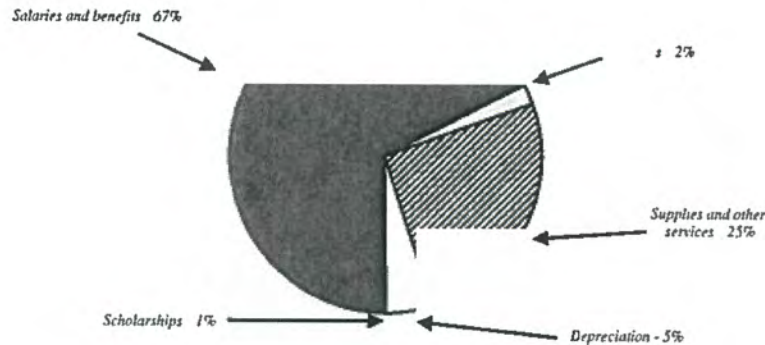


## University of South Alabama

### Management's Discussion and Analysis (continued)

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

#### Operating Expenses by Natural Classification



#### Capital Assets and Debt Administration

During the current period, construction and construction planning continued on the Medical Professional Office Building. Also during the current period, the University began a multi-year infrastructure improvement project. Additionally, several other smaller construction and renovation projects at the University and Hospitals remained ongoing during the current period.

In June 2013, the University issued the University Facilities Revenue Capital Improvement Bonds, Series 2013-A, 2013-B and 2013-C, with a face value of \$50,000,000. The net proceeds of these bonds will be used to fund the construction of a new professional medical office building as well as other construction and capital projects on the main campus of the University.

In March 2014, the University issued the University Facilities Revenue Refunding Bond, Series 2014-A, with a face value of \$41,245,000. The proceeds of this bond were used to refund the University's Series 2004 bonds in connection with the exercise of the option related to the 2004 swaption, as discussed below and in Note 10.

## University of South Alabama

### Management's Discussion and Analysis (continued)

In June 2015, the University issued the University Facilities Revenue Capital Improvement Bond Series 2015 with a face value of \$6,000,000. The proceeds of this bond are being used for certain capital acquisitions and improvements for the Mitchell Cancer Institute.

In April 2015, The University entered into two capital lease obligations with the Cerner Corporation for various software products and services related to the health system clinical and billing information system to be used by the University Health System. These leases were recorded at their present value of \$15,632,000 and \$1,594,000.

In order to realize debt service savings currently from future debt refunding, in January 2008, the University entered into a synthetic advance refunding of the outstanding Series 2004 and 2006 bonds. This transaction was effected through the sale of two swaptions by the University to the counterparty and resulted in an up-front payment to the University totaling \$9,328,000 in exchange for selling the counterparty the option to enter into an interest rate swap with respect to the Series 2004 and 2006 bonds. A portion of this payment was considered a borrowing and was included in the long-term debt of the University. The fair value component of the refunding associated with the swaps was considered an investment derivative and, as such, the change in the fair value component was reflected as a component of investment income.

In December 2013, the counterparty exercised its option with respect to the 2004 swaption and forced the University into an underlying swap. The University refunded its Series 2004 bonds, issued the 2014-A variable rate bond and terminated the Series 2004 swaption. As a result of this termination, the borrowing arising from the Series 2004 swaption of \$1,696,000 and the investment derivative of \$5,213,000 were written off and an investment loss of \$2,229,000 was recognized in 2014. A borrowing arising from the 2014 swap of \$9,138,000 was recognized and is reported, net of amortization, in the statement of net position.

In March 2015, the University established a revolving line of credit for \$5,000,000. At December 31, 2015 approximately \$1,263,000 was outstanding on this line.

The University's bond credit rating is A1 as rated by Moody's Investors Services and A+ as rated by Standard and Poor's Rating Services. Neither rate has changed during 2014 or 2015.



## University of South Alabama

### Management's Discussion and Analysis (continued)

#### Economic Outlook

While enrollment and tuition have generally increased in recent years, state appropriations prior to 2006 were relatively flat. However, in the 2008, 2007 and 2006 fiscal years, the University experienced increases of 16%, 19% and 17%, respectively. These increases were unusually high. For the 2009 fiscal year, the University's original state appropriation decreased 12.8% or approximately \$17,882,000. Additionally, in December 2008 the Governor of Alabama announced proration of 9%, or approximately \$10,967,000; and in July 2009, the Governor announced additional proration of 2%, or approximately \$2,437,000. Therefore, the total decrease in the 2009 state appropriation was approximately \$31,286,000 to \$108,451,000, or 22.4% lower than in 2008.

A state appropriation in the amount of approximately \$102,585,000 was authorized and received for the year ended September 30, 2013.

A state appropriation in the amount of approximately \$103,696,000 was authorized and received for the year ending September 30, 2014.

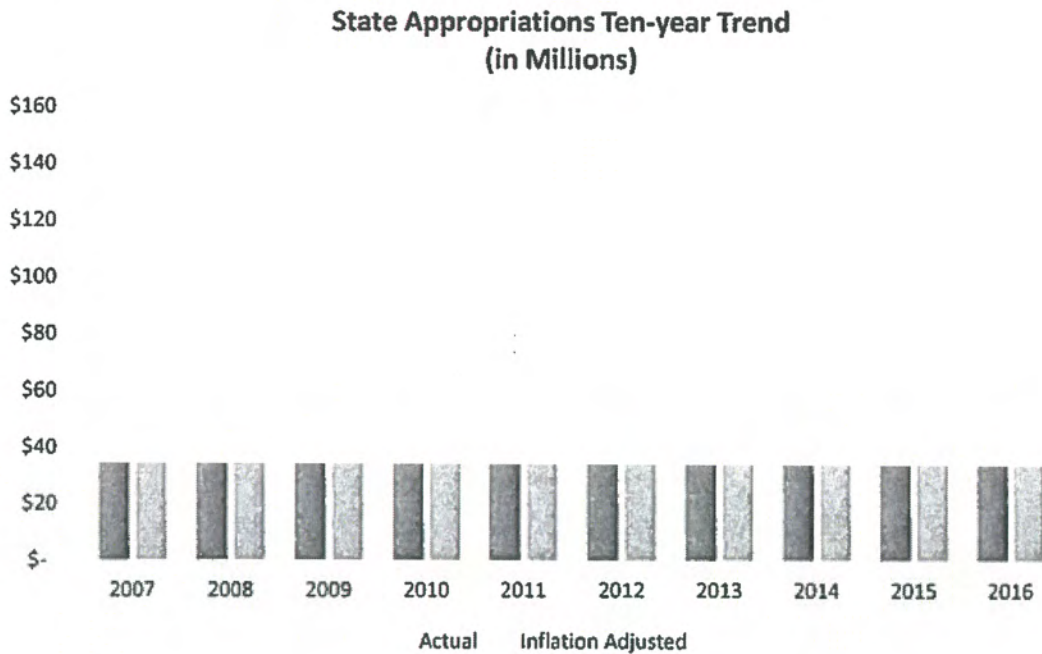
A state appropriation in the amount of approximately \$103,974,000 was authorized and received for the year ending September 30, 2015.

A state appropriation in the amount of \$104,977,000 has been authorized and is being received for the year ending September 30, 2016. This represents a \$1,003,000 increase from the fiscal 2015 appropriation received. While no announcement has been made or is anticipated, the University is aware that reductions in its 2016 appropriation are possible.

## University of South Alabama

### Management's Discussion and Analysis (continued)

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



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

Other than the issues presented above, University administration is not aware of any other currently known facts, decisions, or conditions that are expected to have a significant effect on the University's financial position or results of operations during fiscal year 2016 beyond those unknown variables having a global effect on virtually all types of business operations.

# University of South Alabama

## Statements of Net Position

**December 31, 2015 and 2014**

*(In thousands)*

	2015	2014
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 51,920	\$ 86,252
Investments, at fair value	88,797	151,621
Net patient service receivables	29,995	28,908
Accounts receivable, affiliates	22,372	14,522
Accounts receivable, other	70,064	63,171
Notes receivable, net	473	286
Prepaid expenses, inventories and other	10,166	11,962
Total current assets	273,787	356,722
<b>Noncurrent assets</b>		
Restricted cash and cash equivalents	16,427	36,142
Restricted investments	55,038	46,453
Investments, at fair value	103,225	25,980
Accounts receivable	2,355	2,563
Notes receivable, net	5,270	4,661
Other noncurrent assets	23,240	25,763
Capital assets (net of accumulated depreciation)	619,481	573,030
Total noncurrent assets	825,036	714,592
<b>Deferred outflows (1)</b>		
	22,842	696
Total assets and deferred outflows	1,121,665	1,072,010
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	50,116	48,850
Unrecognized revenue	87,350	81,674
Deposits	2,466	2,821
Current portion of long-term debt	19,141	14,152
Total current liabilities	159,073	147,497
<b>Noncurrent liabilities</b>		
Long-term debt	380,601	376,655
Net pension liability	297,734	-
Other long-term liabilities	39,657	31,019
Total noncurrent liabilities	717,992	407,674
<b>Deferred inflows (1)</b>		
	35,891	-
Total liabilities and deferred inflows	912,956	555,171
<b>Net position</b>		
Net investment in capital assets	258,219	233,146
<b>Restricted, nonexpendable</b>		
Scholarships	21,404	19,284
Other	23,195	21,765
<b>Restricted, expendable</b>		
Scholarships	12,519	16,051
Other	48,990	45,699
<b>Unrestricted (1)</b>		
	(155,618)	180,894
Total net position	\$ 208,709	\$ 516,839

See accompanying notes to basic financial statements.

(1) The Statement of Net Position at December 31, 2014 does not reflect the impact of the implementation of GASB Statement No. 68. See Footnote 1.

## University of South Alabama

### Statements of Revenues, Expenses and Changes in Net Position

**Three Months Ended December 31, 2015 and 2014**

*(In thousands)*

	2015	2014
<b>Revenues</b>		
Operating revenues		
Tuition and fees (net of scholarship allowances)	\$ 49,531	\$ 46,222
Patient services and other (net of contractual allowances and bad debt expense)	69,747	62,160
Federal grants and contracts	3,644	3,319
State grants and contracts	1,636	1,808
Private grants and contracts	14,692	14,303
Auxiliary enterprises (net of scholarship allowances)	7,203	4,049
Other operating revenues	12,250	16,460
Total operating revenues	158,703	148,321
<b>Expenses</b>		
Operating expenses		
Salaries and benefits	118,459	109,574
Supplies and other services	44,795	38,073
Scholarships and fellowships	270	124
Utilities	3,688	3,510
Depreciation and amortization	8,691	8,461
Total operating expenses	175,903	159,742
Operating loss	(17,200)	(11,421)
<b>Nonoperating revenues (expenses)</b>		
State appropriations	26,244	25,993
Investment income and gains (losses) on investments	3,395	1,997
Interest on indebtedness	(3,810)	(3,982)
Other nonoperating revenues	3,949	5,753
Other nonoperating expenses	(1,719)	(1,641)
Net nonoperating revenues	28,059	28,120
Income before other revenues, expenses, gains or losses	10,859	16,699
Capital gifts and grants	963	27
Additions to endowment	1,835	563
Increase in net position	13,657	17,289
<b>Net position</b>		
Beginning of period (1)	195,052	499,550
End of period	\$ 208,709	\$ 516,839

*See accompanying notes to basic financial statements.*

*(1) The net position at December 31, 2014 does not reflect the impact of the implementation of GASB Statement No. 68. See Footnote 1.*

# University of South Alabama

## Statement of Cash Flows

**Three Months Ended December 31, 2015 and 2014**

*(in thousands)*

	2015	2014
<b>Cash flows from operating activities:</b>		
Receipts related to tuition and fees	\$ 11,984	\$ 9,816
Receipts from and on behalf of patients and third-party payers	71,434	64,145
Receipts from grants and contracts	18,817	16,321
Receipts related to auxiliary enterprises	2,878	1,682
Payments to suppliers and vendors	(45,134)	(43,489)
Payments to employees and related benefits	(147,845)	(112,434)
Payments for scholarships and fellowships	(270)	(124)
Other operating receipts	26,034	29,541
	<u>(62,102)</u>	<u>(34,542)</u>
<b>Cash flows from noncapital financing activities:</b>		
State appropriations	17,496	25,993
Endowment gifts	1,835	563
Agency funds received	(5)	138
Agency funds disbursed	(364)	(234)
Student loan program receipts	1,149	618
Student loan program disbursements	(1,047)	(368)
Other nonoperating revenues	27,946	5,489
Other nonoperating expenses	(1,718)	(1,641)
	<u>45,292</u>	<u>30,558</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital gifts and grants	962	27
Purchases of capital assets	(18,441)	(3,857)
Proceeds from sale of capital assets	-	3,846
Principal payments on capital debt	(5,316)	(4,650)
Interest payments on capital debt	(2,703)	(2,556)
Net cash used in capital and related financing activities	<u>(25,498)</u>	<u>(7,190)</u>
<b>Cash flows from investing activities:</b>		
Interest and dividends on investments	2,266	2,954
Proceeds from sales of investments	-	13,286
Purchases of investments	(16,573)	(10,921)
Net cash provided by (used in) investing activities	<u>(14,307)</u>	<u>5,319</u>
Net decrease in cash and cash equivalents	<u>(56,615)</u>	<u>(5,855)</u>
<b>Cash and cash equivalents (unrestricted and restricted):</b>		
Beginning of year	<u>124,962</u>	<u>128,249</u>
End of period	<u>\$ 68,347</u>	<u>\$ 122,394</u>



# University of South Alabama

## Statement of Cash Flows

Three Months Ended December 31, 2015 and 2014

(in thousands)

	<u>2015</u>	<u>2014</u>
<b>Reconciliation of operating loss to net cash used in operating activities:</b>		
Operating loss	\$ (17,200)	\$ (11,421)
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation and amortization expense	8,691	8,461
Changes in operating assets and liabilities, net:		
Student receivables	(49,419)	(49,678)
Net patient service receivables	1,752	1,435
Grants and contracts receivables	(551)	(2,782)
Other receivables	(31,396)	(8,194)
Prepaid expenses, inventories, and other	731	(1,321)
Accounts payable and accrued liabilities	(3,836)	1,034
Unrecognized revenue	29,126	27,924
Net cash used in operating activities	<u>\$ (62,102)</u>	<u>\$ (34,542)</u>

See accompanying notes to basic financial statements.

**University of South Alabama**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

**1. Summary of Significant Accounting Policies**

*Reporting Entity*

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

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

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

The University is also affiliated with the South Alabama Medical Science Foundation. This entity is not considered a component unit of the University under the provisions of GASB Statement Nos. 14, 39 and 61.

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

**University of South Alabama  
Notes to Financial Statements  
December 31, 2015 and 2014**

Management, LLC is presented as a blended component unit in the basic financial statements of the University.

*Professional Liability and General Liability Trust Funds*

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

*USA HealthCare Management, LLC*

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

*University of South Alabama Foundation*

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

*University of South Alabama Health Services Foundation*

The USAHSF is a not-for-profit corporation that exists to provide a group medical practice for physicians who are faculty members of the University and to further medical education and research at the University. Because of the significance of the relationship between the University and USAHSF, USAHSF is considered a component unit of the University. The USAHSF reimburses the University for salaries, certain administrative expenses, Dean's clinical assessment and other support services. The USAHSF presents its financial statements in accordance with standards issued by the FASB.

**University of South Alabama**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

*USA Research and Technology Corporation*

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

In September 2010, the Corporation caused the formation of NovALtech, LLC (NovALtech). NovALtech is a single-member limited liability company that exists for the purpose of engaging in scientific research and development activities and facilitating the transfer and utilization of technology, patents, processes, copyrights, formulae and other know-how. The activities of NovALtech are included in the financial statements of the Corporation.

*Gulf Coast Regional Care Organization*

The Gulf Coast Regional Care Organization (the RCO) is a not-for-profit corporation formed in July 2014 for the purpose of creating and operating a community-led network to coordinate the health care of Medicaid patients in southwest Alabama. The sole member of the RCO is the LLC. The operations of the RCO commenced on April 1, 2015.

*Measurement Focus and Basis of Accounting*

For financial reporting purposes, the University is considered a special purpose governmental agency engaged only in business-type activities, as defined by GASB Statement No. 34. Accordingly, the University's basic financial statements have been presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis, revenues are recognized when earned, and expenses are recorded when an obligation has been incurred.

The University prepares its basic financial statements in accordance with U. S. generally accepted accounting principles, as prescribed by the GASB, including all applicable effective statements of the GASB and all statements of the FASB issued through November 30, 1989 that do not conflict with GASB pronouncements. The University has elected not to apply the provisions of any pronouncements of the FASB issued after November 30, 1989.

*Use of Estimates*

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

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

*Cash and Cash Equivalents*

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

*Investments and Investment Income*

Investments are recorded at fair value. Investments received by gift are recorded at fair value at the date of receipt. Changes in the fair value of investments are reported in investment income.

*Derivatives*

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

The University entered into two interest rate swaptions in January 2008, The Series 2004 swaption and the Series 2006 swaption. As a result of entering into the swaptions, the University received up-front payments. Swaptions are considered hybrid instruments which are required to be bifurcated into the fair value of the derivative and a piece that reflects a borrowing from financial statement purposes, which will accrete interest over time. In December 2013, the counterparty, Wells Fargo Banks, N.A. (Wells Fargo), exercised its option related to the Series 2004 swaption, and as a result, the University entered into an interest rate swap. As a result of the exercise of the option, the Series 2004 swaption was terminated. The Series 2006 swaption remains outstanding at the end of the current period.

In March 2014, the University entered into an interest rate swap arrangement with a counterparty. The resulting derivative is a "receive-variable, pay-fixed" interest rate swap. The University pays the counterparty a fixed semi-annual payment based on an annual rate of 4.9753% and receives on a monthly basis a variable payment of 68% of the one-month London Interbank Offered Rate plus 0.25%. The notional amount of the swap will at all times match the outstanding principal amount of the Series 2014-A bond. The change in fair value of the swap is reported as a deferred inflow on the statement of net position since the interest rate swap is a hedging derivative.



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*Accounts Receivable*

Accounts receivable primarily result from net patient service revenue. Accounts receivable from affiliates primarily represent amounts due from USAHSF for salaries, and certain administrative and other support services. Accounts receivable – other includes amounts due from students, the federal government, state and local governments, or private sources in connection with reimbursement of allowable expenditures made pursuant to the University's grants and contracts. Accounts receivable are recorded net of estimated uncollectible amounts.

*Inventories*

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

*Capital Assets*

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

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

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

Certain buildings are componentized for depreciation purposes.

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

*Unrecognized Revenue*

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

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*Classifications of Net Position*

The University's net position is classified as follows:

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

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

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

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

When an expense is incurred that can be paid using either restricted or unrestricted resources, the University addresses each situation on a case-by-case basis prior to determining the resources to be used to satisfy the obligation. Also included in unrestricted net position at December 31, 2015 is the impact of the net pension liability recorded pursuant to the requirements of GASB Statement No. 68.

*Scholarship Allowances and Student Financial Aid*

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

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*Donor Restricted Endowments*

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

*Classification of Revenues*

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

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

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

*Gifts and Pledges*

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

*Grants and Contracts*

The University has been awarded grants and contracts for which funds have not been received or expenditures made for the purpose specified in the award. These awards have not been reflected in the basic financial statements, but represent commitments of sponsors to provide funds for specific research or training projects. For grants that have allowable cost provisions, the revenue will be recognized as the related expenditures are made. For

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grants with work completion requirements, the revenue is recognized as the work is completed. For grants without either of the above requirements, the revenue is recognized as it is received.

*Net Patient Service Revenue*

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

*Recently Adopted Accounting Pronouncements*

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

*Compensated Absences*

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

**2. Income Taxes**

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

**3. Cash**

Pursuant to the Security for Alabama Funds Enhancement Act, funds on deposit may be placed in an institution designated as a qualified public depository (QPD) by the State of Alabama. QPD institutions pledge securities to a statewide collateral pool administered by the State Treasurer's office. Such financial institutions contribute to this collateral pool in amounts proportionate to the total amount of public fund deposits at their respective institutions. The securities are held at the Federal Reserve Bank and are designated for the State of Alabama. Additional collateral was not required for University funds on deposit with QPD institutions. At September 30, 2015, the net public deposits subject to collateral requirements for all institutions participating in the pool totaled approximately \$9,690,174,000.

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**4. Investments**

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

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

*Credit Risk and Concentration of Credit Risk*

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

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

*Interest Rate Risk*

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

**5. Derivative Transactions - Swaption**

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

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Objective of the derivative transaction

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

Terms

A summary of the transactions is as follow:

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

As further discussed in note 8, in December 2013, the counterparty exercised its option with respect to the 2004 swaption. The University refunded its Series 2004 bonds, issued the Series 2014-A variable rate bond and terminated the Series 2004 swaption. As a result of this termination, the borrowing arising from the Series 2004 and the investment derivative were written off and an investment loss of \$2,229,000 was recognized and reported in the statements of revenues, expenses and changes in net position for the year ended September 30, 2014. A borrowing arising from the 2014 swap of \$9,138,000 was recognized and is reported, net of amortization, as long-term debt in the statement of net position.

As outlined in the 2008 agreement, if the counterparty exercises its option in 2016 related to the 2006 swaption, the University would, at the counterparty's option, be compelled to enter into an underlying swap. If the option is exercised, the University would begin to make payments on the notional amount, currently \$100,000,000 for the 2006 bonds of the underlying swap contract. Simultaneously, the University would call outstanding 2006 bonds and issue variable rate demand notes (VRDNs) in their place. Under the swap contract, the University would pay a fixed rate of 5.0% on the 2006 bonds to the counterparty and would receive payments based on 68% of the one-month LIBOR index plus 0.25%. Alternatively, although it is not anticipated that this option would be to the University's advantage, the University could, at its option, cash settle the swap and retain its right to refund the 2006 bonds.

If the interest rate environment is such that the counterparty chooses to not exercise its option related to the 2006 swaption, the swaption would be cancelled and the University would have no further obligation under this agreement.



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*Financial statement presentation*

A swaption is considered a hybrid instrument and as such the payment by the counterparty to the University must be bifurcated into two components, a borrowing component and an embedded derivative component, and each component treated separately. The embedded derivative value of the swaption represents the fair value resulting from the fact that the fixed rate stated in the swaption is greater than the at-the-market rate. The initial value of the borrowing is the difference between the upfront payment and the fair value of the embedded derivative and represents the time value to the counterparty for holding the option, or the probability weighted, discounted values of a range of future possible outcomes. The value of the derivative and borrowings at the date of execution of this transaction are as follows:

	<u>2004 Bonds</u>	<u>2006 Bonds</u>
Embedded derivatives	\$ 918,000	3,343,000
Borrowings	<u>1,070,000</u>	<u>3,997,000</u>
	<u>\$ 1,988,000</u>	<u>7,340,000</u>

The values of any remaining borrowings are included in long-term debt on the University's statements of net assets. Interest is being accreted, and added to the borrowings through the expiration date of the option.

The fair values of the embedded investment derivatives are reported as investment assets if the derivatives are assets or other noncurrent liabilities, depending of the fair values of the derivatives. The change in the fair market values of the derivatives is reported as a component of investment income in the statements of revenues, expenses and changes in net position.

*Risks associated with this transaction*

Certain risks are inherent to derivative transactions.

*Interest rate risk.* Interest rate risk, as a result of rising short-term interest rates causing higher interest rate payments, is effectively hedged by the University's fixed rate bonds. If the counterparty exercises its options, the underlying swaps are expected to effectively hedge the potentially higher payments on VRDNs as well. The University is also subject to interest rate risk as a result of changes in long-term interest rates, which may cause the value of fixed rate bonds or interest rate derivatives to change. If long-term interest rates fall subsequent to the execution of this transaction, the value of the swaptions will change, with negative consequences for the University.

*Market access risk.* This transaction assumes that VRDNs will be issued as a replacement of the 2006 bonds. If the University is unable to issue variable rate bonds after the counterparty exercises its right under the swaptions, the University would still be required

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to begin making periodic payments on the swaps, even though there are no related bonds. Alternatively, the University could choose to liquidate the swaps, which may create a substantial cash outlay.

*Basis risk.* If the counterparty exercises its option, there is a risk that the floating payments received under the swaps will not fully offset the variable rate payments due on the assumed VRDNs.

*Credit risk.* Although the underlying swap exposes the University to credit risk should the swap be executed, the swaption itself does not expose the University to credit risk. If the option is exercised on one or both issues, the University would begin to make payments on the appropriate notional amount of the underlying swap contract. In that situation, if the fair value of the swap is positive, the University would be exposed to credit risk on the swap in the amount of its fair value. As of the current date, the swap counterparty was rated Aa3 by Moody's Investors Services and AA by Standard and Poor's Rating Services.

*Termination risk.* The University may be required to terminate the swaptions or swaps under certain circumstances, such as credit downgrades or other events specified in the contracts. In the event that a position needs to be terminated, the University may owe a substantial amount of money to terminate the contracts. As of the current date, no events of termination have occurred.

#### **6. Line of Credit**

In March 2015, the University entered into a variable rate revolving line of credit with Compass Bank for the purpose of funding certain property acquisitions of the University's health system. There is no cost to the University for the maintenance of the line of credit. Interest is accrued on outstanding amounts at a rate calculated at the London Interbank Offered Rate (LIBOR) plus 1%. At December 31, 2015, approximately \$1,263,000 was outstanding on the line of credit and is reported as a note payable in the current liabilities section of the statement of net position.

#### **7. Capital Lease Payable**

In April 2015, The University entered into a capital lease obligation with the Cerner Corporation for various software products and services related to the health system clinical and billing information system to be used by the University Health System. These leases were recorded at their present value of \$15,632,000 and \$1,594,000. Those amounts, along with other costs required to place the system into operation, will, once in service, be amortized over a seven-year period. The implied interest rate of the system is 3.43%.

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**8. Bonds Payable**

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

University Tuition Revenue Bonds, Series 1999 Capital Appreciation, 4.7% to 5.25%, payable November 2011 through November 2018.

University Tuition Revenue Refunding and Capital Improvement bonds, Series 2006, 5.00%, payable through June 2037.

University Facilities Revenue Capital Improvement Bonds, Series 2008, 3.00% to 5.00%, payable through August 2038.

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

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

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

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

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

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

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

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

Substantially all student tuition and fee revenues secure University bonds. Additionally, security for all bonds include Children's and Women's Hospital revenues in amounts not exceeding \$10,000,000. Series 1999 Current Interest Bonds began maturing November 2002, and Series 1999 Capital Appreciation Bonds began maturing November 2011. Series 1999 Bonds are not redeemable prior to maturity. Series 2006 Bonds begin maturing in December 2024 and are redeemable beginning in December 2016. Series 2008 Bonds began maturing in August 2009 and are redeemable beginning September 2018. Series 2010 bonds began maturing in August 2011 and are redeemable beginning in February 2020. The 2012-A and 2012-B bonds began maturing in August 2013. The 2012-A Bond is redeemable beginning in August 2021. The 2012-B Bond was

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redeemable beginning in January 2015. The 2013-A, 2013-B and 2013-C Bonds began maturing in August 2014 and are redeemable beginning in June 2023. The 2014-A bonds begin maturing in March 2015 and is redeemable at any time. The Series 2015 bond began maturing in August 2015 and is redeemable beginning in June 2020.

In January 2008, the University entered into a synthetic advance refunding of the outstanding Series 2004 and 2006 bonds. This transaction was effected through the sale of two swaptions by the University to a counterparty. The proceeds from each sale, totaling \$9,328,000, consist of two components, a time value and an intrinsic value. The intrinsic value of the payment is considered a borrowing and is included in long-term debt. As a result of this transaction, the counterparty has the option to compel the University to enter into swap arrangements with respect to its Series 2004 (occurred in March 2014) and 2006 bonds at their respective redemption dates. See note 5 for a complete description of this transaction.

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

#### **9. Net Patient Service Revenue**

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

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

*Medicare* – Substantially all acute-care services rendered to Medicare program beneficiaries are paid at prospectively determined rates. These rates vary according to patient classification systems that are based on clinical, diagnostic, and other factors. Additionally, the Hospitals are reimbursed for both direct and indirect medical education costs (as defined), principally based on per-resident prospective payment amounts and certain adjustments to prospective rate-per-discharge operating reimbursement payments. The Hospitals generally are reimbursed for certain retroactively settled items at tentative rates, with final settlement determined after submission of annual cost reports by the Hospitals and audits by the Medicare fiscal intermediary. During fiscal year 2015, USA Medical Center received a final settles 2010 and 2011 cost report. USA Medical Center's 2012 and 2013 cost reports are not settled. Audit work on 2012 was ongoing during fiscal year 2015, but no settlements were received. The 2013 cost report was amended and the 2014 cost report was filed.

*Blue Cross* – Inpatient services rendered to Blue Cross subscribers are paid at a prospectively determined per diem rate. Outpatient services are reimbursed under a cost

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reimbursement methodology. For outpatient services, the Hospitals are reimbursed at a tentative rate with final settlement determined after submission of annual cost reports by the Hospitals and audits thereof by Blue Cross. The Blue Cross retroactive settlements for USA Medical Center and USA Children's and Women's hospital for 2013 were issued in October 2014. 2014 cost reports were filed timely during 2015 and USA Medical Center has been audited and was settled in July 2015. The 2014 cost report for USA Children's and Women's Hospital has been audited but not settled. The settlement due is fully reserved, and repayment is due to begin in November 2015.

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

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

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

**10. Derivative Transaction – Interest Rate Swap**

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

*Objectives of the transaction.* As noted the interest rate swap was the result of the original January 2008 synthetic advance refunding of the Series 2004 bonds. The objective of that transaction was to realize debt service savings currently from the future debt refunding and create an economic benefit to the University.

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

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Series 2014-A bonds bears interest on a monthly basis at 68% of the one-month LIBOR rate plus 0.73%.

*Fair value.* The interest rate swap had a negative fair value of approximately \$(9,138,000) at its inception. This amount, net of amortization, is reported as a borrowing arising from the 2014 interest rate swap as long-term debt in the statement of net position.

The change in fair value during the current period is reported as a deferred outflow/inflow and a derivative asset/liability in the statement of net position since the interest rate swap is a hedging derivative instrument.

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

*Interest rate risk.* As the LIBOR rate decreases, the net payment on the swap increases. This, however, is mitigated by the fact that a decline in the LIBOR rate will also result in a decrease of the University's interest payment on the Series 2014-A bond. The University's exposure is limited to 0.48% of the notional amount, the difference in the payment from the counterparty and the interest payment on the 2014-A bond.

*Credit Risk.* As of the current date the University was not exposed to credit risk on the interest rate swap because it had a negative fair value. However, if interest rates change and the fair value of the derivative become positive, the University would have a gross exposure to credit risk in the amount of the derivative's fair value. As of the current date, the counterparty is rated Aa3 by Moody's Investor Services and AA- by Standard & Poor's Ratings Services.

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

## **11. Employee Benefits**

### *Retirement and Pension Plans*

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

State law establishes retirement benefits as well as death and disability benefits and any ad hoc increase in postretirement benefits for the TRS. Benefits for TRS members vest after ten years of creditable service. TRS members who retire after age sixty with ten



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years or more creditable service or with twenty-five years of services (regardless of age) are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the higher monthly benefit. Under the formula method, members of the TRS are allowed 2.0125% of their average final compensation (highest three of the last ten years) for each year of service. Act 377 of the Legislature of 2012 established a new tier of benefits (Tier 2) for members hired on or after January 1, 2013. Tier 2 TRS members are eligible for retirement after age sixty-two with ten years or more of creditable service and are entitled to an annual retirement benefit, payable monthly for life. Service and disability retirement benefits are based on a guaranteed minimum or formula method, with the member receiving payment under the method that yields the highest monthly benefit. Under the formula method, Tier 2 members of the TRS are allowed 1.65% of their average final compensation (highest five of the last ten years) for each year of service. Members are eligible for disability retirement if they have ten years of credible service, are currently in-service, and determined by the RSA Medical Board to be permanently incapacitated from further performance of duty. Preretirement death benefits are calculated and paid to the beneficiary based on the member's age, service credit, employment status and eligibility for retirement.

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

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

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

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

In 2015, the University adopted the provisions of GASB Statement No. 68, Accounting and Financial Reporting for Pensions. GASB Statement No. 68 changes accounting and financial reporting for entities participating in a cost sharing plan. GASB Statement No. 68 required the University to record its share, as determined by an independent actuary, of the net unfunded pension liability, and its share of the changes in the net pension liability. The

**University of South Alabama**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

adoption of the provisions of GASB Statement No. 68 required that the University book its share of unfunded net pension liability and therefore resulted in a \$313,737,000 decrease in unrestricted net position.

*Compensated Absences*

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

*Other Postretirement Employee Benefits*

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

**12. Risk Management**

The University, USAHSF, SAMSF and the LLC participate in the professional liability trust fund and the University and the HSF, SAMSF, RTC and LLC participates in the general liability trust fund. Both funds are administered by an independent trustee. These trust funds are revocable and use contributions by the University, USAHSF and the LLC, together with earnings thereon, to pay liabilities arising from the performance of its employees, trustees and other individuals acting on behalf of the University. If the trust funds are ever terminated, appropriate provision for payment of related claims will be made and any remaining balance will be distributed to the University, USAHSF and the LLC in proportion to contributions made.

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

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

**University of South Alabama**  
**Notes to Financial Statements**  
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**13. Other Related Parties**

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

The University of South Alabama Foundation for Research and Commercialization (FRAC) is a not-for-profit corporation that exists for the purpose of centralizing the development, support, and operation of certain research and commercialization efforts of the entire University.

**14. Commitments and Contingencies**

*Grants and Contracts*

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

*Letter of Credit*

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

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

*Federal Program Review*

In November 2014, the University was the subject of a program review conducted by the U.S. Department of Education. The program review assessed the University's administration of Title IV, HEA programs for the 2013-2014 fiscal year and the first two months of the 2015 fiscal year. A draft report has been subsequently received by the University and a response to this draft has been sent to the U.S. Department of Education.

**University of South Alabama**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

No final report has been issued. Management believes that there will be no liability to the University beyond what which is reported in the financial statements.

*Litigation*

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

*Rent Supplement Agreement*

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

*State Bond Issue*

The State of Alabama has made allocations to the University from bonds issued in prior years. Pursuant to the allocations, funds are available to the University for certain future construction costs. The allocations have been reflected as revenue in the accompanying financial statements to the extent they have been incurred and approved by the State.

**15. Significant New Accounting Pronouncements**

In February 2015, the GASB issued Statement No. 72, Fair Value Measurement an Application. GASB Statement No. 72 provides hierarchical guidance for determining a fair value measurement for assets and liabilities for financial reporting purposes and also provides guidance for required disclosures related to fair value measurements and is effective for the University's fiscal year ending September 30, 2016. In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Statement No. 73 establishes requirements for defined benefit and defined contribution pension plans that are not within the scope of Statement No. 68 and, with certain modifications, extends the accounting and reporting approach established in Statement No. 68 to all pensions. GASB Statement No. 73 is effective for the fiscal year ending September 30, 2016. In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 changes accounting and financial reporting for entities which participate in plans providing postemployment benefits other than pensions and will be effective for the University's year ending September 30, 2018.

**University of South Alabama**  
**Notes to Financial Statements**  
**December 31, 2015 and 2014**

Also in June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. Statement No. 76 identifies the hierarchy of generally accepted accounting principles for entities, reduces the GAAP hierarchy to two categories of authoritative GAAP, and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment of a transaction is not specified within a source of authoritative GAAP. GASB Statement No. 76 is effective for the University's fiscal year ending September 30, 2016.

The effect of the implementation of GASB Statements Nos. 72, 73, 75 and 76 on the University has not yet been determined.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statements requires governments that enter into tax abatement agreements to disclose specific information about the agreements. This statement will not have an effect on the University's financial statements.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement amends Statement No. 68 to exclude pensions that are not governmental pension plans and establishes requirements for the recognition and measurement of non-governmental pension plans that are offered to government employees. Also in December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. It establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial statement purposes. These statements will not have an effect on the University's financial statements.

**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 by 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.





University of South Alabama  
Office of Development and Alumni Relations  
300 Alumni Circle  
Mobile, AL 36688  
(251) 460-7616 ~ Fax: (251) 460-7647

MEMORANDUM

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DATE: February 22, 2016  
TO: Tony Waldrop, President  
FROM: Joseph F. Busta, Jr., VP of Development and Alumni Relations  
SUBJECT: Allocation of Land for Construction of Alumni Center



I recommend approval of the resolution attached for placement on March 4<sup>th</sup> Board of Trustee agenda. The purpose of the resolution is the approval of the allocation of land by the University of South Alabama for the construction by the University of South Alabama National Alumni Association (USANAA) of an alumni center in and from which to better conduct its operations in support of the University, its faculty, staff, students and alumni. This facility would be built solely from funds of and gifts to the USANAA, to the specifications agreed to by the University, and gifted to the University by the USANAA upon completion.

Attachment

REC'D  
Office of the President

FEB 22 2016

University of South Alabama

# BOUNDARY SURVEY

ALUMNI CENTER PROPERTY  
UNIVERSITY OF SOUTH ALABAMA CAMPUS  
MOBILE, ALABAMA

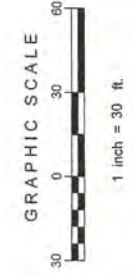
COMMENCE AT A 1" PIPE (FOUND) AT THE NORTHWEST CORNER OF SECTION 16, T4S, R2W, MOBILE COUNTY, ALABAMA, THENCE RUN S00°05'25"E ALONG THE WEST LINE OF SAID SECTION 16, A DISTANCE OF 192.86 FEET TO A FOUND 1/2" REBAR (CAPPED AND PAINTED) BEARING "CA-1037-15", THENCE CONTINUING ALONG SAID WEST LINE TO A POINT, THENCE RUN N00°00'00"E, A DISTANCE OF 316.61 FEET TO A 1/2" REBAR (CAPPED "CA-1037-15") ON THE EASTERN SIDE OF USA DRIVE SOUTH, AT THE BACK OF A CONCRETE SIDEWALK, SAID REBAR BEING THE POINT OF BEGINNING, THENCE BEARS S00°05'25"E, A DISTANCE OF 49.15 FEET TO A 1/2" REBAR (CAPPED "CA-1037-15") ON THE EASTERN SIDE OF SAID CONCRETE SIDEWALK, THENCE RUN PARALLEL ALONG SAID SOUTHERLY SIDE OF SAID CONCRETE SIDEWALK, A DISTANCE OF 288.87 FEET TO A 1/2" REBAR (CAPPED "CA-1037-15") AT A CORNER OF SAID CONCRETE SIDEWALK (ADJACENT TO CAMPUS DRIVE), THENCE CHORD OF WHICH BEARS S00°11'57"W, A DISTANCE OF 106.15 FEET TO A 1/2" REBAR (CAPPED "CA-1037-15"), THENCE CONTINUING ALONG SAID NORTHWESTERLY SIDE OF SAID CONCRETE SIDEWALK, A DISTANCE OF 168.00 FEET, THE CHORD OF WHICH BEARS S00°11'57"W, A DISTANCE OF 106.15 FEET TO A 1/2" REBAR (CAPPED "CA-1037-15"), THENCE CONTINUING ALONG SAID NORTHWESTERLY SIDE OF SAID CONCRETE SIDEWALK, A DISTANCE OF 70.87 FEET TO A 1/2" REBAR (CAPPED "CA-1037-15"), THENCE CONTINUING ALONG SAID NORTHWESTERLY SIDE OF SAID CONCRETE SIDEWALK, A DISTANCE OF 30.69 FEET TO A 1/2" REBAR (CAPPED "CA-1037-15"), THENCE CONTINUING ALONG SAID NORTHWESTERLY SIDE OF SAID CONCRETE SIDEWALK, A DISTANCE OF 15.03 FEET TO A 1/2" REBAR (CAPPED "CA-1037-15"), ON THE EASTERN SIDE OF SAID CONCRETE SIDEWALK, THENCE CHORD OF WHICH BEARS N00°00'00"E, A DISTANCE OF 11.50 FEET, THE CHORD OF WHICH BEARS N00°00'00"E, A DISTANCE OF 11.50 FEET, THENCE CONTINUING ALONG SAID NORTHWESTERLY SIDE OF SAID CONCRETE SIDEWALK, A DISTANCE OF 22.80 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED PARCEL LIES IN THE SOUTHEAST QUARTER OF SECTION 16, T4S, R2W, MOBILE COUNTY, ALABAMA, AND CONTAINS 0.96 ACRES, MORE OR LESS.

STATE OF ALABAMA )  
MOBILE COUNTY )  
I, HEBERY GENTRY, THAT ALL PARTS OF THIS SURVEY AND DRAWING HAVE BEEN PREPARED BY ME OR UNDER MY CLOSE PERSONAL SUPERVISION AND TO THE STANDARDS OF PRACTICE FOR SURVEYING IN THE STATE OF ALABAMA TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF, ACCORDING TO MY SURVEY THIS THE 18TH DAY OF FEBRUARY, 2016.



WILLIAM S. MATTHEWS PLS  
ALABAMA REC. NO. 25890



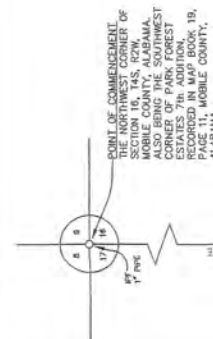
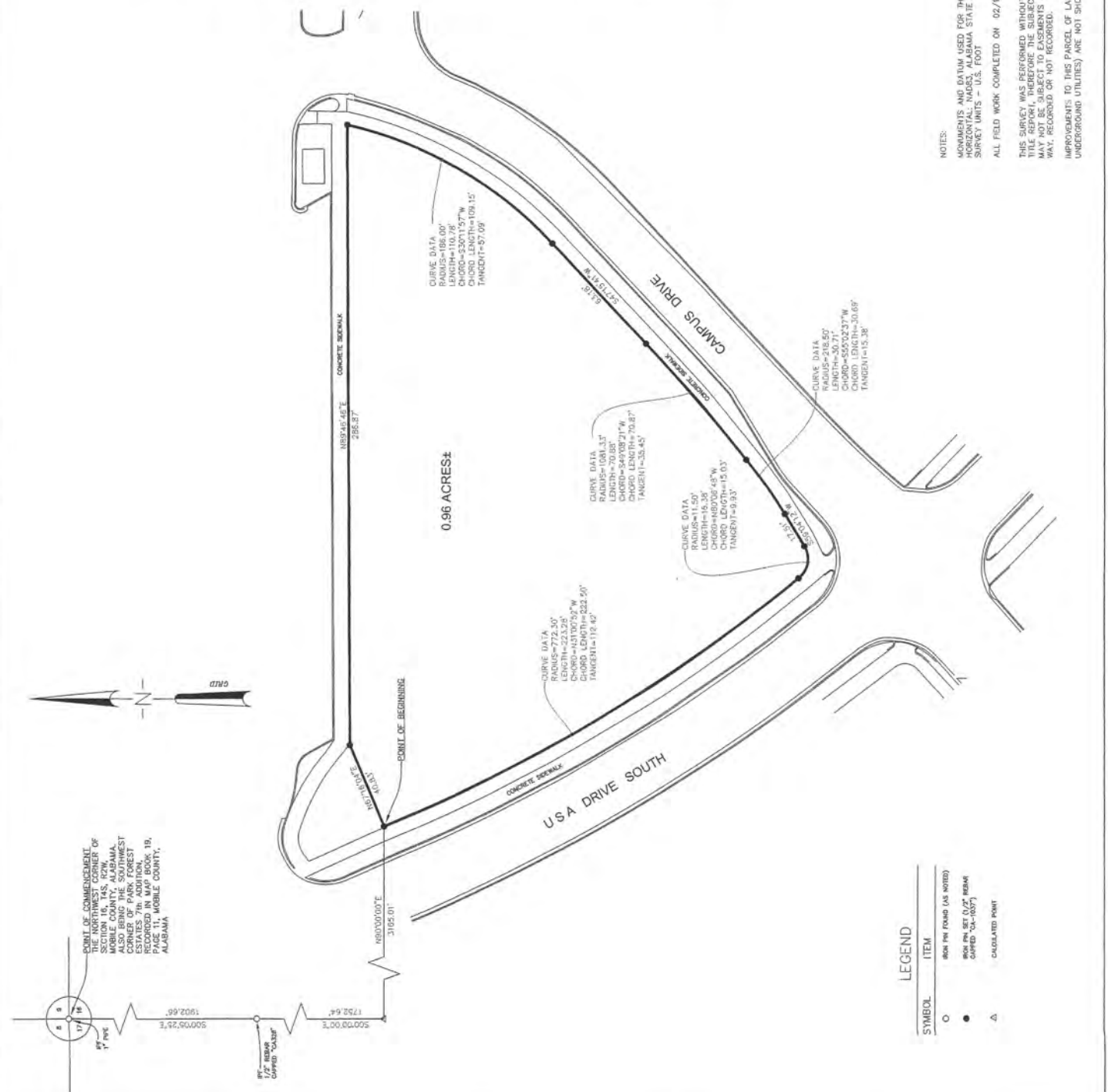
312 CATONIA STREET  
SUITE 101  
MONTGOMERY, ALABAMA  
36104

(334) 271-7173  
www.LaTigo.com

LaTigo Inc.  
SURVEY

DRAWN:	WGM	CHECKED:	DST	PROJECT NO.:	18010
CROSS		DATE:	02/18/2016		
CHEF:					

NOTES:  
MOMENTUMS AND DATUM USED FOR THIS SURVEY: HORIZONTAL: NAD83, ALABAMA STATE PLANE - WEST ZONE SURVEY UNITS - U.S. FOOT  
ALL FIELD WORK COMPLETED ON 02/18/2016  
THIS SURVEY WAS PERFORMED WITHOUT THE BENEFIT OF A TITLE REPORT, THEREFORE THE SUBJECT PROPERTY MAY OR MAY NOT BE SUBJECT TO EASEMENTS AND/OR RIGHTS OF WAY, RECORDED OR NOT RECORDED.  
IMPROVEMENTS TO THIS PARCEL OF LAND (INCLUDING UNDERGROUND UTILITIES) ARE NOT SHOWN ON THIS SURVEY.



LEGEND

SYMBOL	ITEM
○	IRON PIN FOUND (AS NOTED)
●	IRON PIN SET (1/2" REBAR CAPPED "CA-1037")
△	CALCULATED POINT

**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.



**Date:** February 18, 2016  
**To:** President Tony Waldrop *TJW*  
**From:** G. Scott Weldon *GSA*  
**Subject:** Bank Line of Credit for Health System Capital Expenditures

As documented in the attached resolution, the Health System has identified capital improvement projects designed to improve patient service and enhance revenues. I believe that the most prudent manner to fund the capital improvement projects is through the establishment of a short-term line of credit to fund the initial investment, with the intent to convert the short-term debt to permanent debt within the next two years.

As such, attached is a resolution for consideration by the Budget and Finance Committee concerning a \$30 million line of credit to fund these expenditures. We will issue a request for proposal for the line to insure a competitive environment.

With your approval, this item will be presented to the Board of Trustees at its meeting on March 4, 2016. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

REC'D  
Office of the President

FEB 15 2016

**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.





CAMPUS MEMORANDUM  
UNIVERSITY OF SOUTH ALABAMA

---

**Date:** February 15, 2016  
**To:** President Tony G. Waldrop *TGW*  
**From:** G. Scott Weldon *GSW*  
**Subject:** Agenda Item for March 4, 2016 Board of Trustees Meeting -  
Purchase of Property adjacent to 26 Oakland Avenue

Attached is a resolution for consideration by the Budget and Finance Committee regarding the purchase of land adjacent to the Presidential home at 26 Oakland Avenue. The land will be used for badly needed additional parking for official University related events.

With your approval, this item, in the form of the attached resolution, will be presented to the Board of Trustees for its approval. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

REC'D  
Office of the President

FEB 15 2016

University of South Alabama



**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 oncology 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 Pharmacology in 1983 and has provided leadership in the USA College of Medicine for the past 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 medical office building the *Judith Susan and Samuel Joseph Strada Patient Care Center*.

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**AUDIT**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**AUDIT COMMITTEE**

**December 3, 2015**

**2:40 p.m.**

A meeting of the Audit Committee of the University of South Alabama Board of Trustees was duly convened by Mr. John Peek, Chair, on Thursday, December 3, 2015, at 2:40 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

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

Member Absent: Sandy Stimpson.

Other Trustees: Chandra Brown Stewart, 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, Monica Curtis, Joel Erdmann, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, Mike Mitchell, Mark Peach (KPMG), John Smith, Polly Stokley, Sam Strada, Jean Tucker, Tony Waldrop, Scott Weldon and Kelly Woodford (Faculty Senate).

The meeting came to order and the attendance roll was called. Mr. Peek called for consideration of the minutes of the meeting held on September 3, 2015, noting that a quorum was not met and the meeting was adjourned. Dr. Charlton moved for approval and Capt. Jenkins seconded. Ms. Curtis stated the minutes were approved by the Board of Trustees on September 4, 2015. A vote did not take place.

Mr. Peek introduced Mr. Peach, KPMG partner, who discussed the audits of the University's and the USA Research and Technology Corporation's (RTC) basic financial statements for the fiscal year ended September 30, 2015, **ITEM 6**. Mr. Peach addressed various elements of the audit and delivered the required communications as the Committee viewed pertinent materials. He reported an unqualified opinion on the University's financial statements. With regard to one recommendation shown in the management letter, he said the University quickly responded with the necessary policy correction. Discussion shifted to significant changes reflected in the basic audited financial statements as a result of a new accounting standard for reporting pensions. Mr. Peach expressed appreciation for the University's proactive management of the mandate. Mr. Yance asked Mr. Peach to comment on plans for future audits. Mr. Peach advised of Sarbanes-Oxley provisions that would require another engagement partner to assume audit responsibilities beginning in 2016. Mr. Yance asked Mr. Peach to share perspective on the

University's financial health. Mr. Peach credited USA's internal control culture and management approach to maintaining that culture for the Institution's positive standing, elements he said make a tremendous difference in audit outcomes. Judge Simon inquired about the audit of USA Athletics. Mr. Peach said the analysis of the Athletics operation focuses on compliance and reasonable procedures. Mr. Weldon added that USA's Office of Internal Audit takes an active role in compliance examinations.

Mr. Peek called upon Mr. Weldon for presentation of **ITEM 7**, the Alabama Department of Examiners of Public Accounts Compliance Report for fiscal year ended September 30, 2014. Mr. Weldon reported that the review did not bear any negative findings.

Mr. Peek asked Mr. Weldon to address **ITEM 8**, a report on the independent audit of the USA Foundation's (USAF) consolidated financial statements and the disproportionate share hospital (DISH) funds combined financial statements at, and for the period, June 30, 2015, and 2014. Mr. Weldon pointed out that KPMG did not perform these audits. He said the USAF reported assets totaling \$362 million, an increase of \$39 million from the previous year. He attributed \$35 million of this amount to a write-up in the value of the Brookley property.

As to **ITEM 9**, the annual review of internal audit activities, Mr. Peek called for presentation by University Controller Ms. Polly Stokley, noting her role as Interim Director of the Office of Internal Audit. Ms. Stokley discussed the scope of projects completed and in progress in the 2014-2015 fiscal year. She stated the University's management has responded and acted in an acceptable manner. President Waldrop reported that a strong candidate is being considered to fill the position of Executive Director of Internal Audit and Chief Financial Compliance Officer as a result of a national search. Mr. Peek thanked Ms. Stokley for her service. President Waldrop thanked Mr. Peek for taking the opportunity to speak with the candidates.

There being no further business, the meeting was adjourned at 2:55 p.m.

Respectfully submitted:

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John M. Peek, Chair

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**AUDIT COMMITTEE**

**September 3, 2015**

**3:32 p.m.**

A meeting of the Audit Committee of the University of South Alabama Board of Trustees was duly convened by Mr. John Peek, Chair, on Thursday, September 3, 2015, at 3:32 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Sandy Stimpson and John Peek.

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

Other Trustees: Chandra Brown Stewart, Tom Corcoran, Steve Furr, Jimmy Shumock, Ken Simon, Mike Windom and Jim Yance.

Administration and Others: Joe Busta, Lynne Chronister, Monica Curtis, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, David Johnson, Michael Mitchell, Mark Peach (KPMG), John Smith, Sam Strada, Jean Tucker, Tony Waldrop, and Kevin West and Kelly Woodford (Faculty Senate).

Press: Josh Harland and Lee Peck (Fox 10), Bria Johnson and Alyssa Newton (*Vanguard*) and Jason Johnson (*Lagniappe*).

The meeting came to order and the attendance roll was called. Without a quorum of the Committee members present, the meeting was adjourned at 3:32 p.m.

Respectfully submitted:

\_\_\_\_\_  
John M. Peek, Chair



**UNIVERSITY OF SOUTH ALABAMA INTERCOLLEGIATE  
ATHLETIC DEPARTMENT**

Year ended September 30, 2015

(With Report of Independent Accountants on  
Applying Agreed-Upon Procedures Thereon)



**UNIVERSITY OF SOUTH ALABAMA INTERCOLLEGIATE  
ATHLETIC DEPARTMENT**

Year ended September 30, 2015

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**KPMG LLP**  
Suite 1100  
One Jackson Place  
188 East Capitol Street  
Jackson, MS 39201-2127

## **Report of Independent Accountants on Applying Agreed-Upon Procedures**

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

We have performed the procedures enumerated below, which were agreed to by management of the University of South Alabama (the University), solely to assist you in evaluating whether the accompanying Statement of Revenues and Expenditures (the Statement) for the University of South Alabama Intercollegiate Athletic Department (the Athletic Department) for the year ended September 30, 2015 is in compliance with the National Collegiate Athletic Association (NCAA) Bylaw 3.2.4.15. The University's management is responsible for the Statement and the Statement's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of management of the University. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings were as follows:

### **Statement of Revenues and Expenditures – Agreed-Upon Procedures**

- (a) We obtained the Statement for the year ended September 30, 2015, as prepared by management and shown in Exhibit A. We verified the mathematical accuracy of the Statement and compared the amounts on the Statement to corresponding amounts in the University's general ledger after considering eliminating entries between the University and the Jaguar Booster Club. All amounts on the Statement agreed to the general ledger.
- (b) We compared actual Athletic Department expenditures per the University's general ledger to budgeted amounts and also inquired of Athletic Department management as to variances greater than \$50,000 of prior year amounts. Management provided explanations for all variances which exceeded the identified scope.
- (c) University management provided a summary of the University's internal control unique to the Athletic Department. We read the summary documents that include information regarding the general control environment and internal control procedures unique to intercollegiate athletics which assist in ensuring that recorded revenues and expenditures in the Statement are complete and accurate and expenditures are properly authorized.
- (d) We performed the following procedures on operating revenues as presented in Exhibit A:
  - (i.) Ticket sales – We agreed revenue for Men's Football, Men's Baseball, Men's Basketball, Men's Track, Women's Softball, Women's Soccer, and Women's Basketball per the adjusted general ledger to the ticket sales registers, noting that the adjusted general ledger and ticket sales



registers agreed to within a difference of \$996. In addition, we agreed a sample of four items to supporting documentation as applicable, noting no exception.

- (ii.) Student fees – In accordance with the internal allocation approved by University management, the University has an all inclusive rate per semester hour. Athletics receives fees equal to the prior year actual amounts, plus or minus growth in total credit hours multiplied by change in tuition. We recalculated the University’s allocation of total student fees to within management’s 1% acceptable tolerance range.
- (iii.) Guarantees – We obtained a detail of revenue guarantees paid to the University noting that revenue guarantees related principally to Men’s Basketball and Men’s Football. We obtained copies of signed agreements or other supporting documentation with University of Nebraska, the University of South Carolina, Sun Belt Conference Bowl Game Participation, and University of Miami, and ensured that the terms of the contracts or other supporting documentation supported the revenue recorded on the Statement. The amounts examined comprised 84% of the total current year guarantees.
- (iv.) Contributions – We obtained a listing of contributions received by the University and agreed the listing to the general ledger without exception. We noted that the University did not receive any individual contributions in excess of 10% of total contributions.
- (v.) Direct state or other government support – We noted that there were no direct state or other government support amounts received in fiscal year 2015.
- (vi.) Direct institutional support – We obtained the supporting schedules for direct institutional support. Additionally, we recalculated the total institutional support based on management’s methodology to within management’s 1% acceptable tolerable range.
- (vii.) NCAA/conference distributions, including all tournament revenues – We obtained the detail of NCAA and conference distributions from the general ledger and selected 100% of the total dollar amount of the remittances from the NCAA and Sunbelt Conference for testing. We compared amounts to examined check copies, wire remittances, or other supporting documentation for each of the amounts received, noting no exceptions.
- (viii.) Program sales, concessions, novelty sales, and parking – We obtained a detail of program sales, concessions, novelty sales, and parking and agreed the detail to the general ledger, noting no exceptions. We agreed a sample of four revenue receipts to bursar receipt, journal entry, or other supporting documentation as applicable without exception.
- (ix.) Royalties, licensing, advertisements and sponsorships – We agreed a sample of revenue receipts to bursar receipt, journal entry, and other supporting documentation as applicable without exception. The amounts tested constitute 24% of the revenue for this line item on the Statement. We verified that revenue related to these contractual agreements was recognized appropriately in fiscal year 2015 in accordance with the agreements, noting no exceptions.
- (x.) Other – We obtained a detail of other income received by the Athletic Department and agreed it to the general ledger without exception. We agreed a sample of five items to deposit receipts, journal entry, or other supporting documentation as necessary without exception.





- (e) We performed the following procedures on operating expenditures, as presented in Exhibit A:
- (i.) Athletics student aid – We obtained a detail of student athletes. From that detail, we selected thirty individual students (student numbers J00521193, J00532336, J00514029, J00435890, J00423020, J00521550, J00554201, J00387479, J00554650, J00430280, J00327973, J00450607, J00458730, J00321339, J00538605, J00512799, J00467691, J00462765, J00425447, J00462612, J00462618, J00420925, J00389895, J00437298, J00341732, J00389690, J00340441, J00451412, J00484543, and J00495954) and compared those individual student’s financial aid awards to their student accounts to ensure that the student account appropriately reflected the student aid, and that the awards did not exceed the student’s cost of attendance, noting no exceptions.
  - (ii.) Guarantees – We obtained a detail of guarantee expenditures and agreed the detail to the general ledger without exception. We obtained individual contracts with North Carolina State University for \$200,000, Gardner-Webb University for \$350,000, and the U.S. Naval Academy for \$200,000 and agreed amounts per the contracts to the general ledger, noting no exceptions.
  - (iii.) Coaching/support staff/administrative salaries, benefits, and bonuses – We selected ten coaches – Football Asst. Coach (employee ID J00486963), Football Asst. Coach (employee ID J00249680), Softball Asst. Coach (employee ID J00382805) Womens’s Basketball Asst. Coach (employee ID J00498192), Head Tennis Coach (employee ID J00205993), Men’s Head Basketball Coach (employee ID J00493724), Men’s Basketball Asst. Coach (employee ID J00505122), Head Football Coach (employee ID J00230847), Head volleyball Coach (employee ID J00450162), and Womens’s Head Basketball Coach (employee ID J00213427), and ten athletic administrators – (employee ID J00345038, J0088937, J00516790, J00550322, J00262984, J00304260, J00389495, J00212368, J00210122, and J00406288). For each of the employees, we compared the employee’s wages per the payroll register to supporting documentation in the employee’s personnel file, noting no exceptions.
  - (iv.) All other expenditures – We selected forty-six individual vouchers from the 2015 fiscal year within the following expenditure categories: recruiting; team travel; equipment, uniforms, and supplies; game expenses; fund-raising, marketing, and promotion; sports camps; direct facilities, maintenance and rentals; spirit groups; medical expense and medical insurance; membership and dues; and other. We examined invoice copies and direct pay requests or purchase orders (where applicable) for the expenditures on the vouchers in the table below, which comprise approximately 3% of the expenditures not included in the categories listed in (e)(i.), (e)(ii.), and



(e)(iii.) noting that amounts per the vouchers agreed to the invoice copies and direct pay request or purchase order without exception.

<u>Number</u>	<u>Voucher no.</u>	<u>Number</u>	<u>Voucher no.</u>
1	I1039751	24	J0118383
2	I0931000	25	J0115163
3	I1032573	26	J0118676
4	I0938678	27	J0110989
5	I1037583	28	J0114647
6	I1004254	29	F0908553
7	J0115836	30	I1033119
8	I0954019	31	I0973403
9	I0984007	32	F0906966
10	I0949485	33	I1007911
11	I1024985	34	J0111010
12	I1024981	35	I1036079
13	I0942166	36	I1035894
14	I1009877	37	I0957139
15	I0947118	38	I1034266
16	I1035451	39	I0953992
17	I0962512	40	I0951335
18	I0964751	41	I1024074
19	I1024160	42	I1024158
20	I0964781	43	I1001394
21	J0112026	44	I1001394
22	I1033907	45	I1015261
23	I0966741	46	I1000541

\*\*\*\*\*

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the compliance of the accompanying Statement of Revenues and Expenditures for the University of South Alabama Intercollegiate Athletic Department for the year ended September 30, 2015 (Exhibit A). Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is solely for the information and use of management of the University and is not intended to be and should not be used by anyone other than these specified parties.

*KPMG LLP*

January 15, 2016

UNIVERSITY OF SOUTH ALABAMA INTERCOLLEGIATE  
ATHLETIC DEPARTMENT

Statement of Revenues and Expenditures

Year ended September 30, 2015

(Unaudited)

NCAA description	Nonprogram specific	Men's Baseball	Men's Basketball	Men's Golf	Men's Tennis	Men's Track	Men's Football	Women's Basketball	Women's Golf	Women's Soccer	Women's Tennis	Women's Track	Women's Volleyball	Women's Softball	Total
<b>Operating revenues:</b>															
Ticket sales	\$ —	69,533	78,045	—	—	4,614	822,204	2,176	—	3,295	—	—	—	21,613	1,001,480
Student fees	—	213,505	103,702	48,801	54,901	585,613	6,457,292	103,702	48,801	158,604	54,901	506,312	91,502	122,003	8,549,639
Guarantees	—	—	180,000	—	—	—	2,430,000	—	—	—	—	—	—	—	2,610,000
Contributions	471,536	62,090	119,941	11,220	1,775	9,765	4,430	2,725	3,325	1,855	1,700	—	5,908	143,435	839,705
Direct institutional support	4,708,613	778,552	1,369,656	221,278	230,446	—	609,273	1,158,911	238,484	426,842	330,475	—	586,830	668,396	11,327,056
NCAA distributions	—	62,789	30,497	14,352	16,146	172,221	238,598	30,497	14,352	46,643	16,146	148,899	26,910	35,879	853,929
Conference distributions (Nonmedia or Bowl)	—	77,206	37,500	17,647	19,853	211,765	293,382	37,500	17,647	57,353	19,853	183,088	33,088	44,118	1,050,000
Program sales, concessions, novelty sales, and parking	—	—	—	—	—	—	149,040	—	—	—	—	—	—	327	153,189
Royalties, licensing, advertisements, and sponsorships	856,676	—	—	—	—	—	—	—	—	—	—	—	—	—	856,676
Endowment and investment income	7,880	—	—	—	—	—	—	—	—	—	—	—	—	—	7,880
Other	568,845	10,000	20,690	25,350	5,000	16,990	51,340	20,000	13,400	7,740	5,000	92,135	5,000	10,290	851,780
<b>Total operating revenues</b>	<b>6,613,550</b>	<b>1,277,497</b>	<b>1,940,031</b>	<b>338,648</b>	<b>328,121</b>	<b>1,000,968</b>	<b>11,055,559</b>	<b>1,355,411</b>	<b>336,009</b>	<b>702,332</b>	<b>428,075</b>	<b>930,434</b>	<b>749,238</b>	<b>1,046,061</b>	<b>28,101,934</b>
<b>Operating expenditures:</b>															
Athletic student aid	258,263	305,128	401,116	123,918	138,223	331,428	2,209,891	422,836	160,956	361,006	219,122	447,253	368,350	274,262	6,021,752
Guarantees	15,000	23,407	18,000	—	—	—	750,000	3,500	—	—	—	—	4,870	2,500	817,277
Coaching salaries, benefits, and bonuses paid by the University	—	458,542	667,035	90,337	82,086	135,327	2,076,707	439,051	79,568	141,309	90,892	110,722	172,929	295,462	4,839,967
Support staff/administrative salaries, benefits, and bonuses paid by the University and related entities	3,125,491	41,239	82,369	9,452	7,237	2,412	927,454	79,066	9,637	5,938	7,849	1,973	—	38,946	4,339,063
Recruiting	10,080	60,451	90,514	9,635	4,885	5,755	215,062	60,237	3,363	23,321	3,604	4,709	32,530	27,802	551,948
Team travel	(3,576)	163,687	286,185	22,988	55,644	62,488	1,010,545	167,107	27,464	93,639	72,563	51,126	108,686	111,564	2,230,110
Equipment, uniforms, and supplies	323,124	70,866	39,339	26,790	20,499	25,180	584,516	53,420	17,912	17,919	15,886	20,602	24,085	98,493	1,338,631
Game expenses	60,000	63,100	109,345	300	4,370	10,643	300,848	74,085	—	36,021	4,275	8,708	17,252	23,711	712,658
Fundraising, marketing, and promotion	687,383	—	—	162	—	—	16,301	—	—	—	—	—	—	—	2,252
Direct facilities, maintenance, and rentals	533,442	5,081	5,633	1,431	2,980	2,951	277,612	3,411	514	2,292	2,704	2,415	1,303	5,458	847,227
Spirit groups	277,140	—	—	—	—	—	—	—	—	—	—	—	—	—	277,140
Medical expense and medical insurance	282,240	—	927	—	490	—	232,186	1,500	—	—	—	—	—	—	517,343
Membership and dues	113,544	99	590	5,270	—	385	8,148	800	5,042	390	1,035	315	490	345	136,453
Other	695,330	15,249	136,557	31,764	5,300	51,239	555,273	29,474	27,421	35,385	3,446	41,922	10,699	148,745	1,787,804
<b>Total operating expenditures</b>	<b>6,377,461</b>	<b>1,206,849</b>	<b>1,837,610</b>	<b>322,047</b>	<b>321,714</b>	<b>627,808</b>	<b>9,164,543</b>	<b>1,334,487</b>	<b>331,877</b>	<b>717,220</b>	<b>421,376</b>	<b>689,745</b>	<b>741,194</b>	<b>1,029,540</b>	<b>25,123,471</b>
Revenue in excess of expenses	\$ 236,089	70,648	102,421	16,601	6,407	373,160	1,891,016	20,924	4,132	(14,888)	6,699	240,689	8,044	16,521	2,978,463

See accompanying report of independent accountants on applying agreed-upon procedures.



**UNIVERSITY OF SOUTH ALABAMA INTERCOLLEGIATE  
ATHLETIC DEPARTMENT**

Notes to Statement of Revenues and Expenditures

Year ended September 30, 2015

**(1) Summary of Significant Accounting Policies and Reporting Practices**

The accompanying statement of revenues and expenditures (the Statement) includes revenue, expense, and transfer accounts of the University of South Alabama Intercollegiate Athletic Department (the Department), which oversees the University of South Alabama's (the University) intercollegiate athletics program. The Statement was prepared in accordance with the accrual basis of accounting.

Included in the Statement are allocations made by the University to the Department, in accordance with the University's practice of allocations.

**(2) Financial Aid**

The Statement includes athletic financial aid awards for students participating in athletic programs. Financial aid awarded to athletic participants on the basis of other criteria, such as need or academic excellence, is not reflected in the Statement.

**(3) Booster Activities**

The revenues and expenditures of the Jaguar Booster Club are recorded in the Statement. The University has no other outside booster clubs.

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**



**DEVELOPMENT,  
ENDOWMENT  
AND INVESTMENTS**

**UNIVERSITY OF SOUTH ALABAMA  
BOARD OF TRUSTEES**

**DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE**

**December 3, 2015**

**1:30 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, December 3, 2015, at 1:34 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

Members Present: Tom Corcoran, Ron Jenkins, Ken Simon, Steve Stokes (arr. 1:48 p.m.), Mike Windom and Jim Yance.

Other Trustees: Chandra Brown Stewart, Scott Charlton, Steve Furr, Bettye Maye, Arlene Mitchell, Bryant Mixon, John Peek and Jimmy Shumock.

Administration and Others: Terry Albano, Joe Busta, Lynne Chronister, Monica Curtis, Sheila Davis, Joel Erdmann, Mike Finan, Happy Fulford, Stan Hammack, Mike Haskins, Matt Kinnear (Gerber/Taylor), Kyre Lahtinen, Mike Mitchell, Norman Pitman, John Smith, Sam Strada, Jean Tucker, Tom Van Zant (Commonfund), Matt Vetto (Douglas C. Lane), Tony Waldrop, Scott Weldon and Kelly Woodford (Faculty Senate).

The meeting came to order and the attendance roll was called. Mr. Yance discussed the origin of the Jaguar Investment Fund (JIF), a student-managed investment program administered through the Mitchell College of Business, and called for additional comments from Mr. Albano. Mr. Albano advised that JIF Director Dr. Kyre Lahtinen, Assistant Professor of Economics and Finance, and the students enrolled in JIF were present to observe presentations by investment managers. The students introduced themselves and answered questions from Trustees about their investing experiences.

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

Concerning **ITEM 3**, the reports on endowment investment performance, inclusive of annual presentations by investment managers, Mr. Albano introduced endowment managers Mr. Matt Kinnear representing Gerber/Taylor, Mr. Tom Van Zant representing Commonfund and Mr. Matt Vetto representing Douglas C. Lane. Each manager discussed portfolio performance with reference to corresponding data, shared an economic outlook, and responded to questions and

comments from Trustees. Mr. Albano shared insight on the retirement of the Douglas C. Lane founder and plans for a transition of services.

As to portfolio performance, Mr. Albano and Mr. Yance noted prior discussions cautioning the Committee not to anticipate the endowment would always outperform benchmarks. Mr. Albano reported that, despite the positive performance of Douglas C. Lane and Commonfund for the fiscal year ended September 30, 2015, the overall endowment performed at -2.08 percent versus the relative index of -1.46 percent. He reminded the Committee that the endowment previously underperformed in 2008 and that, in its 15-year history, the portfolio has underperformed only three times. Mr. Pitman addressed the international and small cap market. Mr. Albano reported that, since inception in April 2000 until September 30, 2015, the annualized performance was 4.73 percent versus the relative index of 3.76 percent. He presented an endowment breakdown by manager and asset class for fiscal year 2015. Following an exchange on investment expectations, Mr. Albano, citing a thorough analysis, recommended releasing Master Select and Private Advisors from their investment management responsibilities, and he added that plans are to vet other firms and report progress with the hope of making a recommendation in March 2016. On motion by Mr. Yance, seconded by Mr. Corcoran, the Committee voted unanimously to end the University's relationship with Private Advisors and Master Select. Discussion took place on the possibility of adding private equity as a new asset class, in addition to a new hedge fund manager, and Mr. Albano assured a due diligence approach. Mr. Pitman discussed characteristics of private equity companies. Mr. Yance stated the University's investment policy would need to be amended if private equity is added to the portfolio.

Mr. Yance and Mr. Albano addressed **ITEM 4**, a resolution acknowledging the annual evaluation of USA's endowment and non-endowment investment policies, as required by the Southern Association of Colleges and Schools (SACS). (For copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on December 4, 2015). On motion by Mr. Corcoran, seconded by Capt. Jenkins, the Committee voted unanimously to recommend approval by the Board of Trustees.

As to **ITEM 5**, a report on the activities of the Division of Development and Alumni Relations, Mr. Yance called upon Dr. Stokes, Upward & Onward Campaign Co-Chair. Dr. Stokes thanked Trustees for participating in kick-off activities held on October 13 and he shared campaign highlights, including \$73 million raised during the quiet phase and the addition of 925 gift commitments since the October 13 press announcement. Mr. Yance thanked Dr. and Mrs. Stokes for their service as campaign co-chairs. Dr. Busta discussed campaign activities and national engagement. He said key gifts are being negotiated which would ensure the success of the campaign. He stated that staff are concentrated on year-end giving for the

Development, Endowment and Investments Committee  
December 3, 2015  
Page 3

remainder of the month and added that the next campaign committee meeting is scheduled on March 4, 2016. He introduced Ms. Sheila Davis, Upward & Onward Campaign Coordinator.

There being no further business, the meeting was adjourned at 2:40 p.m.

Respectfully submitted:

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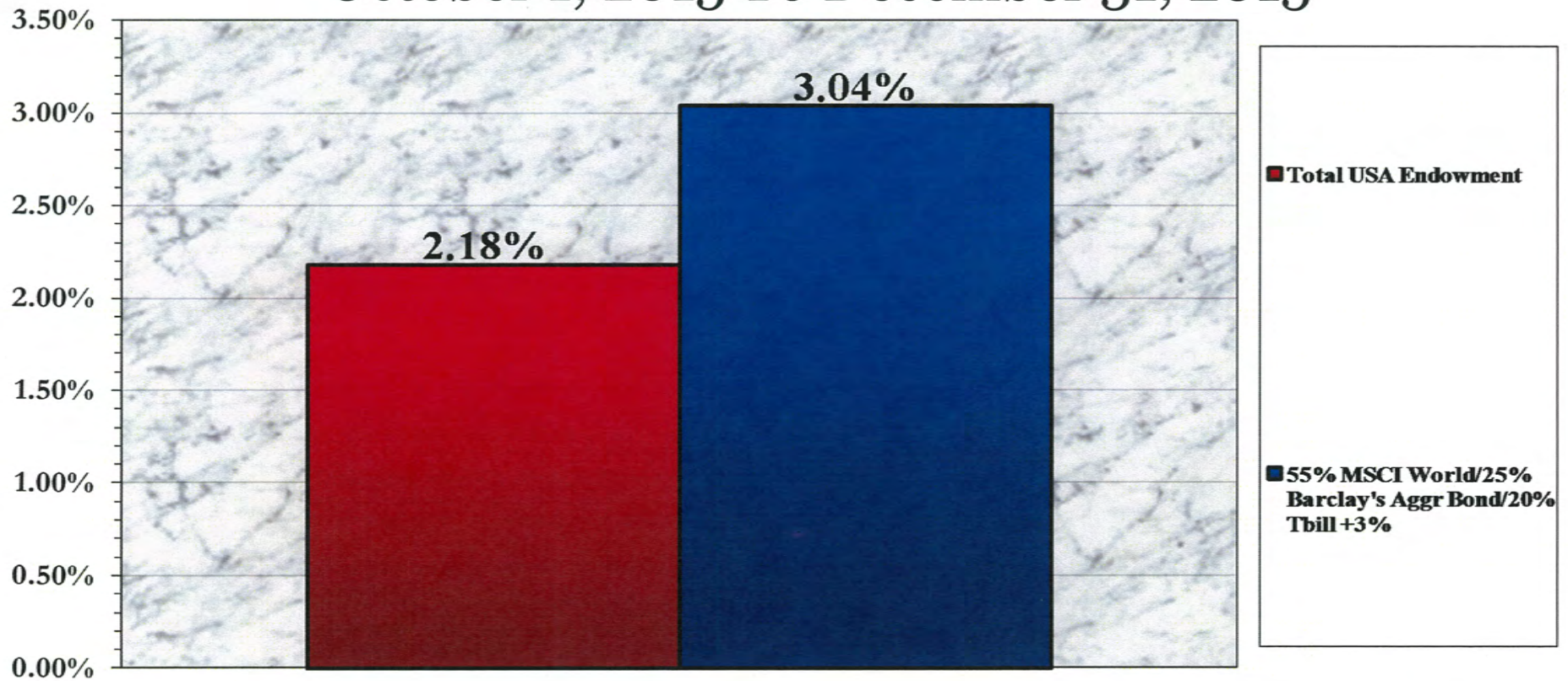
James A. Yance, Chair

University of South Alabama  
Endowment Investment Performance  
Review/Analysis

Fiscal Year 2016



# Total USA Endowment Fiscal Year 2016 October 1, 2015 To December 31, 2015



Underperformed (0.86)%

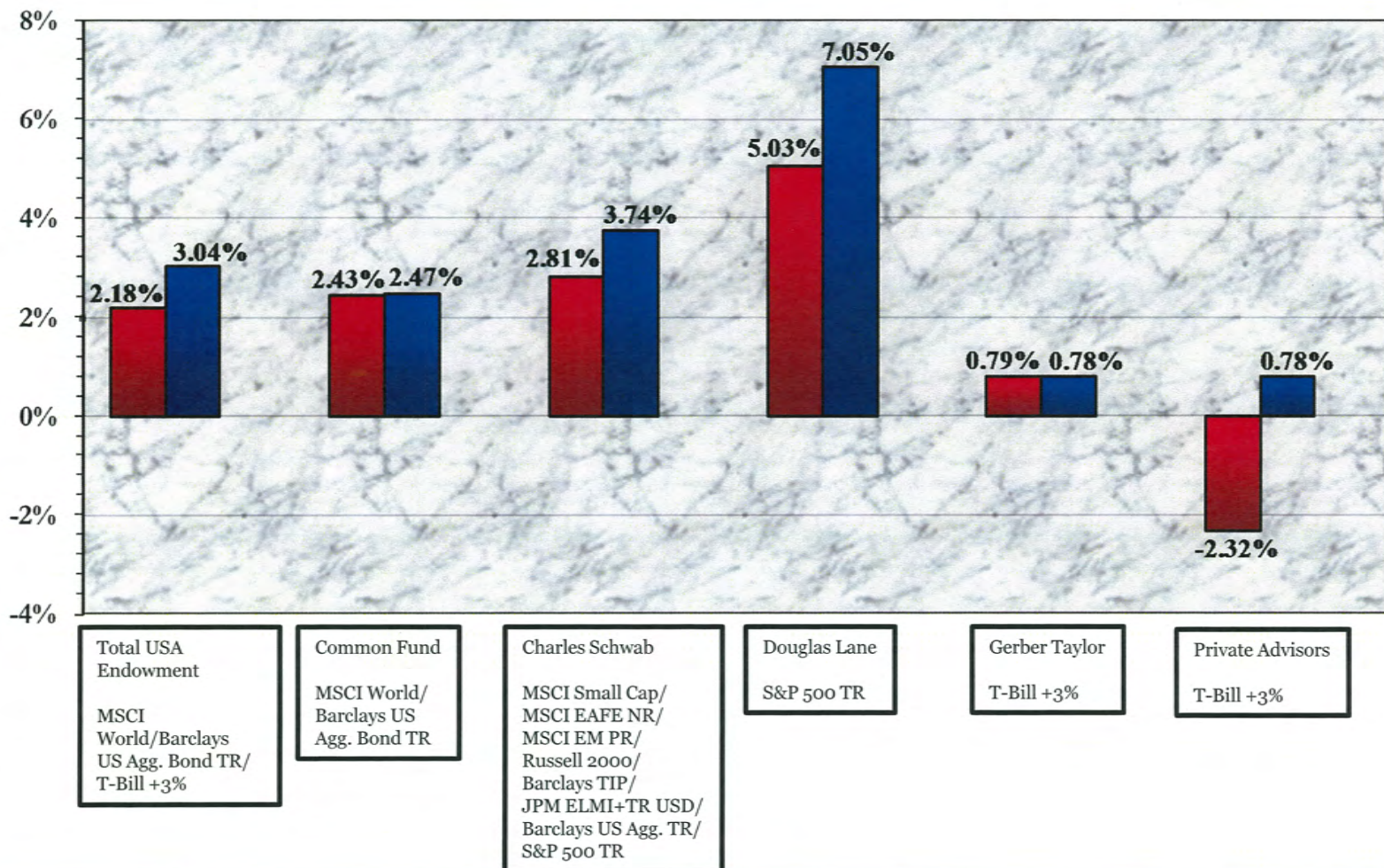
Balance: \$140,285,212



# Endowment Fund Managers

## Fiscal Year 2016

### October 1, 2015 To December 31, 2015



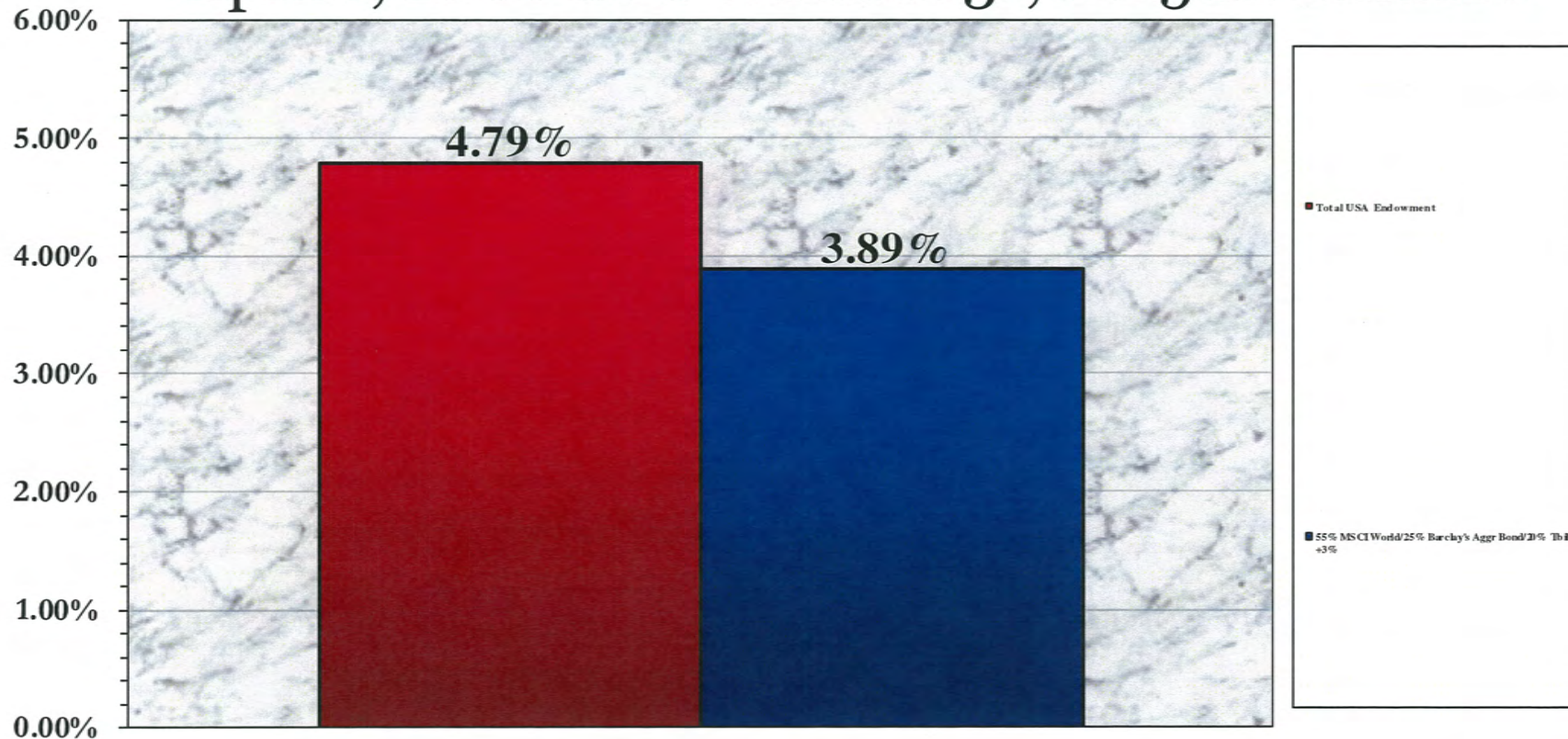
## Total USA Endowment Breakdown Fiscal Year 2016

Manager	Money Market	Large Cap Equity	Small Cap Equity	International	Fixed	Hedge	Total	%
Private Advisors	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,820,567	\$ 6,820,567	5%
Schwab	\$ -	\$ 7,343,429	\$ 5,938,351	\$ 16,335,064	\$ 5,065,044	\$ -	\$ 34,681,888	25%
Doug Lane	\$ 383,800	\$ 7,916,667	\$ -	\$ -	\$ -	\$ -	\$ 8,300,466	6%
Common Fund	\$ -	\$ 35,170,197	\$ -	\$ -	\$ 31,941,174	\$ -	\$ 67,111,370	48%
Gerber Taylor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,370,920	\$ 23,370,920	17%
<b>Total</b>	<b>\$ 383,800</b>	<b>\$ 50,430,292</b>	<b>\$ 5,938,351</b>	<b>\$ 16,335,064</b>	<b>\$ 37,006,218</b>	<b>\$ 30,191,487</b>	<b>\$ 140,285,212</b>	<b>100%</b>
<b>%</b>	<b>0%</b>	<b>36%</b>	<b>4%</b>	<b>12%</b>	<b>26%</b>	<b>22%</b>	<b>100%</b>	
<b>Policy %</b>		<b>25-55%</b>	<b>0-8%</b>	<b>5-15%</b>	<b>15-35%</b>	<b>10-30%</b>	<b>100%</b>	



## Total USA Endowment Since Inception

April 1, 2000 To December 31, 2015 Annualized



Outperformed 0.90%

Balance: \$140,285,212

**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.



CAMPUS MEMORANDUM  
UNIVERSITY OF SOUTH ALABAMA

---

**Date:** February 18, 2016  
**To:** President Tony Waldrop *tw*  
**From:** G. Scott Weldon *GSW*  
**Subject:** Changes to the Non-Endowment Cash Pool Investment Policy

Attached is a resolution for consideration by the Development, Endowment and Investments Committee regarding changes to the Non-Endowment Cash Investment Policy. The purpose of the changes is to incorporate the necessary guidelines for Long-Term investing through equities and alternative investments, as outlined and restricted by the policy.

With your approval, this item will be presented to the Board of Trustees at its meeting on March 4, 2016. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

REC'D  
Office of the President

FEB 15 2016

University of South Alabama



**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 30<sup>th</sup> 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:



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

- 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.

**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.



University of South Alabama  
Office of Development and Alumni Relations  
300 Alumni Circle  
Mobile, AL 36688  
(251) 460-7616 ~ Fax: (251) 460-7647

MEMORANDUM

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DATE: February 17, 2016

TO: Tony Waldrop, President

FROM: Joseph F. Busta, Jr., VP of Development and Alumni Relations

A handwritten signature in black ink that reads "Joe Busta".

SUBJECT: Vincent Kilborn Resolution approval

I recommend approval of the resolution attached for placement on March 4<sup>th</sup> Board of Trustee agenda. The purpose of the resolution is to recognize and show our appreciation to Mr. Vincent Kilborn for his recent \$1.5 million Gift Commitment. The gift will establish an endowment in support of the University's new state of the art medical office building in Fairhope. This building will provide leased space for various USA health care affiliates, including physician office space for MCI oncology physician services. This gift will benefit the region and, especially the people of Baldwin County.

Attachment

REC'D  
Office of the President

FEB 17 2016

University of South Alabama

**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.




## MEMORANDUM

University of South Alabama

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Date: February 5, 2015

To: Tony Waldrop  
President

From: Joseph F. Busta, Jr.   
Vice President  
Development and Alumni Relations

CC: Monica Ezell  
Executive Assistant

RE: Joseph and Audrey Shewmake Resolution

---

It is with great pleasure that I present to you the attached resolution for your consideration for presentation to the Board of Trustees.

This resolution outlines the generous estate gift made by Joe and Audrey Shewmake, which will establish two scholarship funds: the *Joe and Audrey Shewmake Computing and Math Scholarship Fund* and the *Joe and Audrey Shewmake Endowed Scholarship Fund*. The Shewmakes estimate the value of their gift to be \$2.4 million. This resolution will properly convey our sincere appreciation to the Shewmakes for their very generous gift.

REC'D  
Office of the President

FEB 05 2015

University of South Alabama



**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.



University of South Alabama  
Office of Development and Alumni Relations  
5910 USA South Drive - Mobile Townhouse  
Mobile, AL 36688-0002  
(251) 460-7616 ~ Fax: (251) 460-7647

## MEMORANDUM

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DATE: February 4, 2016  
TO: President Waldrop  
FROM: Dr. Joseph F. Busta, Jr.   
CC: Mrs. Monica Ezell  
SUBJECT: Agenda Item for the March 4, 2016 University of South Alabama  
Board of Trustees' Meeting: Appreciation of the Upward & Onward  
Campaign Committee

Attached please find a resolution for consideration by the Board of Trustees of the University of South Alabama to recognize and appreciate the commitment and dedication of the Upward & Onward Campaign Committee members.

I request that the University provide certificates of appreciation to be distributed during the campaign committee meeting to follow the Board meeting on March 4<sup>th</sup>.

With your approval, the item will be presented to the Board of Trustees. I recommend adoption of the resolution by the USA Board of Trustees.

JFBjr/sd

attachment

REC'D  
Office of the President

FEB 12 2016

University of South Alabama