

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

MINUTES

JUNE 4, 2015

HEALTH AFFAIRS COMMITTEE

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

LONG-RANGE PLANNING COMMITTEE

BUDGET AND FINANCE COMMITTEE

AUDIT COMMITTEE

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

JUNE 5, 2015

BOARD OF TRUSTEES

- 1 Approve: Minutes
- 2 Report: President's Report
- 3 Approve: Board Meeting Dates

CONSENT AGENDA

- 4 Approve: USA Hospitals Credentials – February, March and April 2015
- 6 Approve: Tenure and Promotion
- 7 Approve: Revision of Resident and Non-Resident Tuition Policy
- 15 Approve: Banking Resolution
- 16 Approve: Extension of Credit with Respect to the University's Purchasing Card Program

HEALTH AFFAIRS COMMITTEE

- Report: Dr. Steve Stokes, Chair
Report: Mitchell Cancer Institute

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

- Report: Bettye Maye, Chair
- 8 Approve: Creation of the Jaguar Investment Fund
 - 9 Approve: Tuition, Housing and Meal Plan

LONG-RANGE PLANNING COMMITTEE

- Report: Jimmy Shumock, Chair

BUDGET AND FINANCE COMMITTEE

- Report: Tom Corcoran, Chair
Report: Facilities Update
- 17 Approve: Purchase of Property
 - 18 Approve: Bond Issue

AUDIT COMMITTEE

- Report: John Peek, Chair

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

- Report: Jim Yance, Chair
- 20 Approve: Adjustment of Endowment Management Fee
 - 21 Approve: The Fanny and Bert Meisler Endowed Professorship in Jewish Studies

SPECIAL ACKNOWLEDGEMENT

- 22 Approve: Commendation of Mr. Stephen H. Simmons

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

June 5, 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, June 5, 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, Steve Stokes, Mike Windom and Jim Yance.

Members Absent: Robert Bentley and Sandy Stimpson.

Administration and Others: David Barnett, Harry Brislin, Joe Busta, Andy Byrd, Mark Calvi, Nicole Carr, Lynne Chronister, Becky Clark, James Contratto, Monica Curtis, Ken Davis, Kristin Dukes, Joel Erdmann, Mike Finan, Happy Fulford, Lisa Furr, Stan Hammack, Mike Haskins, David Johnson, Jason Kelly, Jaco Keyser, Don Langham, Daniel McCarthy, Abe Mitchell, Randy Moon, Barbara Peek, FeAunte Preyear, Ravi Rajendra (SGA), Regina and Steve Simmons, John Smith, Rob Sobol, Angelia Stokes, Justin Thomas (AASA), Julee and Tony Waldrop, Kevin West (Faculty Senate), Andrzej Wierzbicki and Graham Winkworth.

Press: Jackson Armstrong (The Prowl), Gary Arnold (WKRG-TV), Brett Dozier (WPMI-TV), Cassie Fambro (al.com), Alyssa Newton (*Vanguard*) and Chad Petri (WKRG-TV).

The meeting was called to order and the attendance roll was called. Chairman Furr called for consideration of **ITEM 1**, the minutes of the Board of Trustees meeting held on March 6, 2015, and the Executive Committee meeting held on April 24, 2015. On motion by Mr. Peek, seconded by Mr. Shumock, the minutes were approved unanimously. Judge Simon, Chair of the Presidential Search Committee, requested consideration of the minutes of the final committee meeting held on January 15, 2014. On motion by Mr. Corcoran, seconded by Mr. Yance, the minutes were approved unanimously.

Chairman Furr called for presentation of **ITEM 2**, the President's Report. President Waldrop recognized Trustee *emeritus* Mr. Don Langham, and called for remarks from Faculty Senate President Dr. Kevin West and Student Government Association President Mr. Ravi Rajendra. Each gave an update on projects and recent activities. President Waldrop recognized Mr. Justin Thomas, Vice President of the African-American Student Association. He announced the appointment of Dr. Mike Finan as Director of the Mitchell Cancer Institute (MCI). Dr. Finan conveyed excitement for his new role and thanked the Mitchell family and the Board of Trustees for their support.

As photos were viewed, President Waldrop talked about expanded spring commencement activities that took place on May 9, which included conferral of honorary doctorate degrees to speakers Dr. Richard Lapchick, Director of the DeVos Sport Business Management Program at the University of Central Florida, and to the Secretary of the United States Navy Ray Mabus. He called upon Dr. Nicole Carr, who discussed the launch of USA's Week of Welcome (WOW) that is designed to acquaint and engage students as they arrive for the new academic year. She recognized the individuals in the room who participated in the planning process. President Waldrop announced that, effective August 1, USA would become a tobacco-free campus, as was unanimously recommended by the University's Wellness Initiatives Committee, and he shared details on promotion of this undertaking among University constituents.

President Waldrop gave an update on infrastructure upgrades and he credited Mr. Randy Moon for overseeing the project. As to engagement of a consultant to examine the University's information management process, he stated the consultant's report was received recently and the Administration will take any recommendations under advisement.

President Waldrop called on Provost Johnson, who reported on the national searches being conducted to fill the positions of Dean for the Pat Capps Covey College of Allied Health Professions and the College of Education, Executive Director of the Melton Center for Innovation and Entrepreneurship at the Mitchell College of Business, and Vice President for Finance and Administration.

President Waldrop called for a report from Dr. Smith. With reference to Dr. Harrell's Title IX presentation to the Academic and Student Affairs Committee on June 4, Dr. Smith advised that the Association of College Unions International named USA's *Bro Code* program its National Collaborative Program of the Year for 2015. *Bro Code* promotes sexual assault awareness and prevention among male students. Dr. Smith introduced and discussed the involvement of Mr. James Contratto, Associate Director for Student Activities – University Programs, and Ms. FeAunte Preyear, Coordinator of USA's Victim's Advocate Program.

Dr. Smith informed Board members that Moody's Investors Service reaffirmed the University's A1 credit rating, which he attributed to the diligent efforts of Mr. Ken Davis, University Treasurer and Associate Vice President for Finance and Administration, as well as the finance staff. Judge Simon commended the Administration for maintaining high standards and avoiding pitfalls associated with leadership changes.

President Waldrop called upon Dr. Busta for a report on USA's Annual Fund. As Trustees viewed statistical graphics, Dr. Busta discussed campaign highlights and noted \$801,391 raised by 2,968 employees and 61 retirees, inclusive of matching funds. For perspective, he shared data from the campaigns of peer institutions, as well as from USA's 2003 campaign, which demonstrated steady growth over time. He described the 2015 campaign as the second largest in 12 years, and noted 453 more donors and \$137,199 more dollars raised in 2015 than in 2014. He added that 55 departments reached 100 percent participation.

President Waldrop called for a presentation from Provost Johnson. Provost Johnson reported on the opening of the USA Gulf Coast Campus (GCC) in Gulf Shores. Photos were shown of the facility, which was provided by the city of Gulf Shores. Primarily, bachelor of science degree courses in hospitality and tourism management will be offered by the School of Continuing Education and Special Programs, as will internship opportunities. Recruiting activities will take place as well and the GCC will have free access to the Gulf Shores Cultural Center. Provost Johnson answered questions about promotion of the GCC and advertising.

Provost Johnson discussed a new Ph.D. program in computing that will be offered in the 2015 fall semester. The program will be USA's 13th doctorate program and its ninth research doctorate. Provost Johnson stated the program was approved by the Alabama Commission on Higher Education (ACHE) and the Southern Association of Colleges and Schools, and he discussed enrollment figures. He said the program will concentrate on areas of global concern, including cyber security and big data management. He discussed plans for recruiting international students as well as regional prospects.

President Waldrop called for a report by Ms. Chronister. As photos were viewed, Ms. Chronister discussed outreach initiatives intended to prompt collaborative opportunities for research and student internships. Activities have included tours with business and industry frontrunners such as Austal USA, Outokumpu and Continental Motors. She talked about the University's representation at the annual Farnborough International Air Show in Paris, for which Governor Bentley expressed strong support. She introduced USA alumnus and Director of the Office of Commercialization and Industry Collaboration Dr. Andy Byrd. She discussed the University's partnership in the Alabama Cyber Research Consortium and grant prospects.

President Waldrop called for comments from Mr. Fulford. Mr. Fulford discussed the regular session of the legislature and the monitoring of bills that could impact the University; factors affecting passage of the state budget; and USA's \$105 million appropriation for 2015-2016, which includes a \$3 million special appropriation for the Mitchell Cancer Institute. He advised that a special legislative session would take place.

President Waldrop introduced Mr. Haskins, who presented a visual overview on brand development. He stated that, through a series of meetings, the unifying theme which emerged from constituent feedback was USA's story. He discussed elements of the University's advertising campaign, including ads on social media sites and street billboards, which will be synchronized with the branding process.

President Waldrop said the University experienced a banner year in sports and athlete academic performance. He asked Dr. Erdmann to share remarks. Dr. Erdmann explained the significance of the Sun Belt Conference's *Vic Bubas Cup All-Sports Award*, which was presented to USA for 2014-2015. He discussed a chart demonstrating significant improvement in USA's academic progress rate (APR) from 2007 to 2013, noting that, from the standpoint of educational outcomes and retention, the University is headed in the right direction. He compared USA's performance

with that of other Sun Belt Conference schools. He credited the head coaches for guiding the pulse for success on and off the playing field. Introduced were Track Assistant Coach David Barnett; Women's Soccer Head Coach Graham Winkworth; Women's Softball Head Coach Becky Clark; Men's Baseball Head Coach Mark Calvi; and Women's Tennis Head Coach Jaco Keyser. Each coach shared cumulative grade point averages. For their efforts, Dr. Erdmann recognized Assistant Athletics Director – Athletics Academic Services Mr. Jason Kelly and Associate Athletics Director – Internal Affairs Mr. Daniel McCarthy. On behalf of the coaches, Coach Clark thanked the Board of Trustees for its support of USA's athletic program.

Chairman Furr called for consideration of **ITEM 3** as follows. On motion by Mr. Peek, seconded by Mr. Shumock, the resolution was approved unanimously:

**RESOLUTION
BOARD MEETING SCHEDULE 2015-2016**

WHEREAS, Article II, Section 1, of the Bylaws provides that the Board shall schedule annually, in advance, regular meetings of the Board to be held during the ensuing year, and may designate one of such meetings as the annual meeting of the Board,

THEREFORE, BE IT RESOLVED that the regular meetings of the University of South Alabama Board of Trustees shall be held on the following dates:

Friday, September 4, 2015
Friday, December 4, 2015
Friday, March 4, 2016
Friday, June 3, 2016

FURTHER, BE IT RESOLVED that the date of June 3, 2016, be designated as the annual meeting of the University of South Alabama Board of Trustees for 2015-2016.

Chairman Furr addressed consent agenda **ITEMS 4, 6, 7, 15 and 16** as follows, respectively, noting all had received the Committees' unanimous recommendations for approval by the Board of Trustees at meetings held on June 4 (for copies of policies and other authorized documents, refer to **APPENDIX A**). He called for a vote and the resolutions were approved unanimously:

**RESOLUTION
USA HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS
FOR FEBRUARY, MARCH AND APRIL 2015**

WHEREAS, the Medical Staff appointments and reappointments for February, March and April 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
TENURE AND PROMOTION**

WHEREAS, in accordance with University policy, faculty applications for tenure and promotion have been reviewed by the respective faculty peers, departmental Chair, college Dean, and by the Senior Vice President for Academic Affairs or the Vice President for Medical Affairs, and the President, and of those faculty considered, the following individuals are hereby recommended for tenure and/or promotion,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves and grants tenure and/or promotion to those individuals whose names are listed below to be effective August 15, 2015.

COLLEGE OF ARTS AND SCIENCES:

Promotion to Senior Instructor:
Jenny L. Faile

Promotion to Professor:
Larry W. Beason
Donald E. DeVore
Ted L. Poston

COLLEGE OF EDUCATION:

Tenure:
Susan F. Martin

Promotion to Associate Professor:
Susan F. Martin

Promotion to Senior Instructor:
Nancy B. Gaillard

Promotion to Professor:
André M. Green

COLLEGE OF MEDICINE:

Tenure:
Donna L. Cioffi
Sarah L. Sayner
Jon D. Simmons

Promotion to Professor:
Ananthasekar Ponnambalam
Thomas C. Rich
Michael L. Sternberg (primary)

Promotion to Associate Professor:
Tangela C. Atkinson Donna L. Cioffi
Shikha Gupta Terry J. Hundley
Samuel A. McQuiston Sarah L. Sayner
Abdul H. Siddiqui Jon D. Simmons
Ajay P. Singh (joint) Victor G. Solodushko
Stephen T. F. Varner

COLLEGE OF NURSING:

Tenure:
Valorie C. Dearmon
James L. Harris
Alethea N. Hill

Promotion to Professor:
Sharon M. Fruh

Promotion to Associate Professor:
Henrietta W. Brown Valorie C. Dearmon
Alethea N. Hill Theresa F. Wright

MITCHELL CANCER INSTITUTE:

Promotion to Professor:
Rodney P. Rocconi

MITCHELL COLLEGE OF BUSINESS:

Promotion to Associate Professor:
Alan F. Chow

Promotion to Professor:
Alex P. Sharland

SCHOOL OF COMPUTING:

Tenure:
Todd R. Andel
Jingshan Huang

Promotion to Professor:
Todd R. Andel

Promotion to Associate Professor:
Jingshan Huang

**RESOLUTION
REVISION TO RESIDENT AND NON-RESIDENT TUITION POLICY**

WHEREAS, the Veterans Access, Choice, and Accountability Act of 2014, Section 702, requires public colleges/universities to offer resident tuition to qualifying veterans, spouses, and dependents, and

WHEREAS, these changes require modifications to the Resident and Non-Resident Tuition Policy at the University of South Alabama, and

WHEREAS, the Board of Trustees of the University of South Alabama supports these modifications as part of the University's ongoing commitment to our service men and women, to our veterans, and to their families,

THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama approves and adopts the amended Resident and Non-Resident Tuition Policy as set forth in the document attached hereto.

**RESOLUTION
UNIVERSITY OF SOUTH ALABAMA BANKING RESOLUTION**

THEREFORE, BE IT RESOLVED that the President and either the Vice President for Finance and Administration or the Treasurer of the University are authorized to:

1. Open and close bank, brokerage, custody, safekeeping, treasury management or other accounts in the name of the University,
2. Sell, transfer, and endorse for sale or transfer any and all securities on behalf of the University,
3. Buy securities for the account of the University,
4. Order the transfer or delivery of securities on the University to any other person,
5. Open and close Letters of Credit, Lines of Credit or extensions of credit on behalf of the University,

6. Pledge collateral, securities, or other property in the name of the University and to make withdrawals, substitutions, and exchanges in connection therewith,
7. Exercise any other rights related to securities, including signing for all releases, powers of attorney, and/or other documents in connection with securities of the University,
8. Designate individuals authorized to sign checks, drafts, notes, acceptances, and other orders for the payment of money or the withdrawal of funds for the account of the University,
9. Designate individuals authorized to endorse, negotiate, receive, or authorize the payment of the proceeds of any instruments or orders for the payment of money to the University,
10. Designate individuals authorized to make telephone transfer of funds of the University and the manner in which such funds can be transferred, and
11. Issue any other instructions for the conduct of any accounts in the name of the University,

and

BE IT FURTHER RESOLVED that this resolution supersedes any resolution dated prior to the date of this resolution and relating to the University's banking activities, and

BE IT FURTHER RESOLVED, as the individuals holding the positions of President, Vice President for Finance and Administration, and University Treasurer change from time to time, the Secretary of the University of South Alabama Board of Trustees is authorized to certify, under the corporate seal of the corporation, the names and signatures of the individuals succeeding to those positions, and

BE IT FINALLY RESOLVED that the Secretary of the University of South Alabama Board of Trustees is authorized to certify, under the corporate seal of the corporation, a copy of this resolution and the names and specimen signatures of the persons authorized to act on behalf of the University.

RESOLUTION

EXTENSION OF CREDIT WITH RESPECT TO THE UNIVERSITY'S PURCHASING CARD PROGRAM

WHEREAS, the University of South Alabama desires to establish a purchasing card program for the purpose of providing a more efficient method of obtaining certain goods and services, and

WHEREAS, the University has performed extensive due diligence to identify the most appropriate provider of purchasing card services, and

WHEREAS, PNC Bank, N.A. has been identified as a leader in the providing of purchasing card services for institutions of higher education, and

WHEREAS, the University has, after that period of due diligence, selected PNC as its preferred vendor for such purchasing card services,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees, authorizes either the President, Vice President for Finance and Administration, University Treasurer or the Executive Vice President of the University (collectively, "an authorized representative of the University") to obtain financial services and products of any kind from PNC Bank, NA or from any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., (collectively, "PNC") including but not limited to loans and other products involving the extension of credit and to execute, accept, authorize agreement to and/or deliver to or in favor of

PNC such agreements, documents and instruments, required or requested by PNC in connection with the program, and

BE IT FURTHER RESOLVED, to the extent allowed by law and deemed by the authorized representative to be in the best interest of the University, an authorized representative of the University shall execute and deliver to or in favor of PNC any amendments, modifications, renewals or supplements of or any of the foregoing agreements, documents or instruments, and take any other action required or deemed advisable by PNC in order to effectuate the foregoing resolution, all such other actions being hereby approved, ratified and confirmed.

Chairman Furr called for a report from the Health Affairs Committee. On behalf of Dr. Stokes, Committee Chair, Dr. Charlton called for a report on the Mitchell Cancer Institute (MCI). Dr. Finan introduced internationally renowned cancer scientist Dr. Rob Sobol and gave context on his appointment as Abraham A. Mitchell Distinguished Investigator, Point Clear Charities Professor of Oncologic Sciences, and Chief of the Molecular and Metabolic Oncology Program. Dr. Sobol thanked Dr. Finan, President Waldrop and Mr. Mitchell for the opportunity to relocate his research lab to the University of South Alabama, inclusive of a staff of researchers and existing grant funding. As a graphic overview was shown, he shared insight on lab development and his research on DNA damage and repair. Dr. Finan gave an update on long-term goals and current initiatives, including integration of the MCI and the USA Health System and creation of a relationship with HudsonAlpha Institute for Biotechnology, which is located in Huntsville, Alabama.

Chairman Furr called for a report from the Academic and Student Affairs Committee. Ms. Maye, Committee Chair, stated that, at the June 4 meeting, the Committee recommended approval of **ITEM 8** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
CREATION OF THE JAGUAR INVESTMENT FUND**

WHEREAS, student-managed investment funds have become common over the last decade as educational tools at universities, and

WHEREAS, the Mitchell College of Business is proposing to utilize funds it received from the generous bequest of the late Clarence M. Frenkel, Jr., made on behalf of himself and his late wife, Eleanor Ruth Frenkel, as well as from additional monies from the Mitchell Endowment for the formation of a student-managed investment fund to be called the *Jaguar Investment Fund*, and

WHEREAS, this student investment fund would benefit the University of South Alabama by helping recruit new students, by retaining existing students, by improving our graduates' job placements, and by increasing the prestige of the University of South Alabama and the Mitchell College of Business, and

WHEREAS, for the reasons outlined in the *Jaguar Investment Fund Proposal* attached hereto and incorporated herein by reference, the University believes it is in the best interest of the University and the Mitchell College of Business to create such a student-managed investment fund,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees, on the recommendation of the Mitchell College of Business and the Office of the Vice President for Finance and Administration after their completion of appropriate due diligence and obtaining approval of the University President, authorizes the University to found the *Jaguar Investment Fund*, and

BE IT FURTHER RESOLVED, the University of South Alabama Board of Trustees approves the Investment Policy Statement under which the *Jaguar Investment Fund* will operate, as outlined in the *Jaguar Investment Fund Proposal* attached hereto and incorporated by reference herein, and

BE IT FURTHER RESOLVED that any distributions of the fund will be made pursuant to the University's Endowment Spending Policy and administered through the Office of the Vice President for Finance and Administration, and

BE IT FINALLY RESOLVED, the University of South Alabama Board of Trustees expresses its deep appreciation for the generous contributions of Eleanor and Clarence Frenkel, and of Arlene Mitchell, the late Mayor Mitchell, and Abe Mitchell to establish the Mitchell Endowment, which have enabled the creation of the *Jaguar Investment Fund* in the Mitchell College of Business.

Ms. Maye reported the Committee's unanimous recommendation for approval of **ITEM 9** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
TUITION, HOUSING AND MEAL PLAN 2015-2016**

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

WHEREAS, the Alabama Legislature has approved a 2015-2016 education budget that increases USA's state funding by \$1,553,177 or 1.5 percent from last year, and

WHEREAS, USA has faced accumulated reductions in state appropriations of \$285.3 million since 2007-2008, and

WHEREAS, the University responded to the recession and reductions in state appropriations by implementing numerous cost-cutting measures that remain in place, and

WHEREAS, after extensive analysis of the University's financial needs for 2015-2016 and beyond, the University Administration and Budget Council have determined that increases in tuition and fees, housing, and meals are necessary to maintain the standard of quality that USA students and their families desire and expect, and

WHEREAS, with the proposed tuition, housing, and meal rates for 2015-2016, as set forth in the attached schedules, such costs at the University would continue to be among the lowest in effect at peer public doctoral-level research institutions in the state of Alabama,

THEREFORE, BE IT RESOLVED that the Board of Trustees of the University of South Alabama approves the tuition, housing, meals, and required student fees for the 2015-2016 academic year as set forth in the attached schedules.

Ms. Maye advised that presentations were delivered to the Academic and Student Affairs Committee on admissions standards changes, the launch of the First Year Advising Center, and Title IX guidelines related to sexual harassment/violence.

Chairman Furr called for a report from the Long-Range Planning Committee. Mr. Shumock, Committee Chair, stated that, on June 4, Provost Johnson reported on the comprehensive process underway for modification of the 2014-2017 Strategic Plan. Changes include incorporation of the University's five institutional priorities and interruption of the plan term such that the succeeding plan will become effective January 2016 and cover five years.

Chairman Furr called for a report from the Budget and Finance Committee. Mr. Corcoran, Committee Chair, called for a presentation from Assistant Vice President for Facilities Management Mr. Randy Moon. As Trustees viewed supporting materials, Mr. Moon discussed infrastructure upgrades related to hot and chilled water management which have increased efficiency and resulted in a windfall of utility savings. He reported a power savings of \$594,477 and a water savings of \$135,467, for a total annual cost reduction of \$729,944. Plans for future projects include total plant automation and optimization, and linking Health Sciences' plant operations to the main campus utilities network. Mr. Moon thanked members of the Administration for believing in his vision. President Waldrop conveyed appreciation to Mr. Moon for his leadership.

Mr. Corcoran stated the Committee voted unanimously on June 4 to recommend approval of **ITEM 17** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
PURCHASE OF PROPERTY**

WHEREAS, due to the upcoming expiration of the USA Mitchell Cancer Institute's ("MCI") current lease in Fairhope for its Baldwin County operations, the University of South Alabama ("USA") has been evaluating the purchase of property in that area, and

WHEREAS, a certain parcel of real estate located on the north side of Fairhope Avenue containing approximately one and 75/100ths (1.75) acres of land (the "Property") has been offered for sale and is potentially appropriate for construction of a building which USA could use for its purposes, including but not limited to a location for MCI physician offices, and

WHEREAS, the owners of the Property, A&A Corte Family Limited Partnership and A&D Corte Family Limited Partnership (collectively, "Seller"), are willing to sell the Property to USA and have entered into an option agreement dated May 7, 2015 which provides for a purchase price of fifteen and no/100 dollars (\$15) per square foot, contingent upon the purchase price meeting appraisal ("Option Agreement"),

THEREFORE, BE IT RESOLVED, the Board of Trustees hereby ratifies the Option Agreement and authorizes the Vice President for Finance and Administration to exercise the Option Agreement and, after conducting due diligence measures pursuant to the Option Agreement to confirm the suitability of the Property for the purposes of the MCI and issuance of an appraisal which confirms that the purchase price represents fair market value, proceed with the purchase of the Property at a purchase price of fifteen and no/10 dollars (\$15) per square foot plus any due diligence expenses and closing costs.

Mr. Corcoran reported the Committee's unanimous recommendation for approval of **ITEM 18** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

**A RESOLUTION AUTHORIZING THE ISSUANCE OF THE
\$6,000,000 UNIVERSITY FACILITIES REVENUE CAPITAL IMPROVEMENT BOND SERIES 2015**

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

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

(1) It is necessary, advisable, in the interest of the University and the public that the University design, acquire, construct, install, furnish and equip various capital improvements and equipment including, without limitation, a modular radiation oncology building, equipment, and furnishings; land, building, equipment and furnishings for a clinical office location in Baldwin County, Alabama; and various public capital improvements to the USA Mitchell Cancer Institute, all within the health care enterprise of the University, and various other public capital improvements on the campus of the University (the "2015 Improvements").

(2) The University has undertaken a competitive bidding process for a loan to pay the costs of the 2015 Improvements, and in connection therewith received bids on May 20, 2015, from various financial institutions including Regions Capital Advantage, Inc. (Regions Bank), Whitney Bank (d.b.a., Hancock Bank), SunTrust Bank, Trustmark National Bank, and BBVA Compass Bank.

(3) The Vice President for Finance and Administration of the University has reported that the bid submitted by Regions Capital Advantage, Inc. (herein called "RCA") is the winning bid for the proposed loan.

(4) It is necessary, advisable, in the best interest of the University to accept the bid of RCA and sell and deliver to RCA the University's \$6,000,000 University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015 (herein called the "Series 2015 Bond"), which such Series 2015 Bond shall evidence the loan hereinabove described, to pay the costs of the 2015 Improvements and a portion of the costs of issuing the Series 2015 Bond.

(b) Series 2015 Bond to be Issued as an Additional Parity Bond Under the Indenture; Special Findings Under Section 8.2(b) of the Indenture. The Series 2015 Bond shall be issued as an additional parity bond under Article VIII of the Indenture hereinafter referred to. In accordance with the provisions of Section 8.2(b) of the Indenture, the Board hereby finds and declares as follows:

- (1) the University is not now in default under the Indenture, and no such default is imminent;
- (2) the Series 2015 Bond shall be designated Series 2015;
- (3) RCA is the person or entity to whom the Series 2015 Bond is to be delivered;
- (4) the Series 2015 Bond is to be issued by sale in accordance with Section 6 hereof;
- (5) the sale price of the Series 2015 Bond shall be the initial face or par amount thereof (\$6,000,000);

(6) (a) the only bonds that have previously been issued by the University under the Indenture are its (i) \$31,680,000 original principal amount University Tuition Revenue Refunding and Capital Improvement Bonds, Series 1996, dated February 15, 1996 (herein called the "Series 1996 Bonds"), which were issued under and pursuant to the Trust Indenture dated as of February 15, 1996 further described in Section 2 hereof, (ii) \$7,055,000 original principal amount University Tuition Revenue Refunding Bonds, Series 1996B, dated October 15, 1996 (herein called the "Series 1996B Bonds"), which were issued under and pursuant to the First Supplemental Trust Indenture dated as of October 15, 1996, (iii) \$40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999 (herein called the "Series 1999 Bonds"), which were issued under and pursuant to the Second Supplemental Trust Indenture dated as of October 15, 1999, (iv) \$51,080,000 original principal amount Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, dated March 15, 2004 (herein called the "Series 2004 Bonds"), which were issued under and pursuant to the Fourth Supplemental Trust Indenture dated March 15, 2004, (v) \$100,000,000 original principal amount University Tuition Revenue Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006 (herein called the "Series 2006 Bonds"), which were issued under and pursuant to the Fifth Supplemental Trust Indenture dated as of December 1, 2006, (vi) \$112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008 (herein called the "Series 2008 Bonds"), which were issued under and pursuant to the Sixth Supplemental University Facilities Revenue Trust Indenture dated as of September 1, 2008, (vii) \$29,750,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010 (herein called the "Series 2010 Bond"), which was issued under and pursuant to the Seventh Supplemental University Facilities Revenue Trust Indenture dated as of June 16, 2010, (viii) \$25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012 (herein called the "Series 2012-A Bond"), which was issued under an Eighth Supplemental University Facilities Revenue Trust Indenture dated as of January 4, 2012 (herein called the "Eighth Supplemental Indenture"), (ix) \$7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012 (herein called the "Series 2012-B Bond"), which was issued under and pursuant to the Eighth Supplemental Indenture, (x) \$32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (herein called the "Series 2013-A Bond"), which was issued under and pursuant to the Ninth Supplemental University Facilities Revenue Trust Indenture dated June 28, 2013 (herein called the "Ninth Supplemental Indenture"), (xi) \$8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (herein called the "Series 2013-B Bond"), which was issued under and pursuant to the Ninth Supplemental Indenture, (xii) \$10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (herein called the "Series 2013-C Bond"), which was issued under and pursuant to the Ninth Supplemental Indenture, and (xiii) \$41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (herein called the "Series 2014-A Bond" and, together with the Series 1999 Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2010 Bond, the Series 2012-A Bond, the Series 2012-B Bond, the Series 2013-A Bond, the Series 2013-B Bond, and the Series 2013-C Bond, the "Outstanding Bonds"), which was issued under and pursuant to the Tenth Supplemental University Facilities Revenue Trust Indenture dated as of March 14, 2014 (herein called the "Tenth Supplemental Indenture"); and (b) in Article VIII of the Indenture, the University has reserved the right to issue additional bonds, secured by a pledge of the Pledged Revenues on a parity with the Outstanding Bonds and with such additional bonds as shall have thereafter been issued thereunder, upon compliance with the applicable provisions of said Article VIII;

(7) The Outstanding Bonds are the only bonds heretofore issued under the Indenture that are at this time outstanding under the Indenture; and

(8) the Series 2015 Bond will be issued for the purposes described in Section 8 hereof.

The Trustee is hereby requested to authenticate and deliver the Series 2015 Bond to RCA.

Section 2. Authorization of the Series 2015 Bond. For the purposes specified in Section 1 of this resolution, the University does hereby sell its University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015, in a principal amount of \$6,000,000, to RCA, under the terms, conditions and provisions set out in an Eleventh Supplemental University Facilities Revenue Trust Indenture dated June 15, 2015, between the University and The Bank of New York Mellon Trust Company, N.A., as trustee (herein called the "Trustee"), which is supplemental to the University Facilities Revenue Trust Indenture between the University and the Trustee dated as of February 15, 1996 (the said Trust Indenture, as heretofore supplemented and amended and as further supplemented and amended by the said Eleventh Supplemental University Facilities Revenue Trust Indenture, herein called the Indenture"). All the provisions of the Indenture respecting the Series 2015 Bond are hereby adopted as a part of this resolution as fully as if set out at length herein.

Section 3. Source of Payment of the Series 2015 Bond. The principal of and the interest on the Series 2015 Bond shall be payable solely from the Pledged Revenues as defined in the Indenture. Nothing contained in this resolution, in the Series 2015 Bond or in the Indenture shall be deemed to impose any obligation on the University to pay the principal of or the interest on the Series 2015 Bond except from and to the extent of the Pledged Revenues. The Series 2015 Bond shall not represent or constitute an obligation of any nature whatsoever of the State of Alabama (the "State") and shall not be payable out of moneys appropriated to the University by the State. The agreements, covenants and representations contained in this resolution, in the Series 2015 Bond and in the Indenture do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the University, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the University shall arise therefrom. Neither the Series 2015 Bond nor the pledge or any agreement contained in the Indenture or in this resolution shall be or constitute an obligation of any nature whatsoever of the State, and neither the Series 2015 Bond nor any obligation arising from the aforesaid pledge or agreements shall be payable out of any moneys appropriated to the University by the State. Nothing contained in this section shall, however, relieve the University from the observance and performance of the several covenants and agreements on its part herein contained and contained in the Indenture.

Section 4. Series 2015 Bond Payable at Par. All remittances of principal of and interest on the Series 2015 Bond to the holder thereof shall be made at par without any deduction for exchange or other cost, fees or expenses. The bank at which the Series 2015 Bond shall at any time be payable shall be considered by acceptance of its duties under the Indenture to have agreed that it will make or cause to be made remittances of principal of and interest on the Series 2015 Bond, out of the moneys provided for that purpose, in bankable funds at par without any deduction for exchange or other cost, fees or expenses. The University will pay to such bank all reasonable charges made and expenses incurred by it in making such remittances in bankable funds at par.

Section 5. Authorization of Eleventh Supplemental University Facilities Revenue Trust Indenture. The Board does hereby authorize and direct the President of the University to execute and deliver, for and in the name and behalf of the University, to The Bank of New York Mellon Trust Company, N.A., as Trustee under the aforesaid Indenture, an Eleventh Supplemental University Facilities Revenue Trust Indenture dated June 15, 2015, in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit 1 to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), and does hereby authorize and direct the Secretary of the Board to affix to the Eleventh Supplemental University Facilities Revenue Trust Indenture the corporate seal of the University and to attest the same.

Section 6. Sale of the Series 2015 Bond. The University does hereby sell to RCA the Series 2015 Bond at and for a price equal to the face amount of such bond (\$6,000,000). The Series 2015 Bond shall bear such date, shall mature in annual installments at such times and in such manner, shall

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

Section 7. Execution and Delivery of the Series 2015 Bond. The Board does hereby authorize the President of the University to execute the Series 2015 Bond, in the name and on behalf of the University, by manually signing the said bond, and does hereby authorize the Secretary of the Board to cause the corporate seal of the University to be imprinted or impressed on the Series 2015 Bond and to attest the same by signing the Series 2015 Bond, and the President of the University is hereby authorized to deliver the Series 2015 Bond, subsequent to its execution as provided herein and in the Indenture, to the Trustee under the Indenture, and to direct the Trustee to authenticate the Series 2015 Bond and to deliver it to RCA (as purchaser thereof).

Section 8. Application of Proceeds. The proceeds derived from the sale of the Series 2015 Bond after payment of the costs of issuing the same shall be deposited by the University into a special fund or account established by the University (the "2015 Improvements Account") and used to pay the costs of the 2015 Improvements.

Section 9. Resolution Constitutes Contract; Severability. The provisions of this resolution shall constitute a contract between the University and the holder of the Series 2015 Bond. The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this resolution.

Section 10. General Authorization. The President of the University, the Vice President for Finance and Administration of the University, and the Secretary of the Board are hereby authorized to execute such further agreements, certifications, instruments or other documents, and to take such other actions as any of them may deem appropriate or necessary, for the consummation of the transactions covered by this resolution, to the end that the Series 2015 Bond may be executed and delivered, and the 2015 Improvements designed, acquired, constructed, installed, furnished and equipped, as promptly as practicable.

Chairman Furr called for a report from the Audit Committee. Mr. Peek, Committee Chair, advised that the proceedings on June 4 included adoption of the March meeting minutes. He said Mr. Mark Peach, KPMG partner, would meet with the Committee in September to discuss audit expectations for the 2014-2015 fiscal year.

Chairman Furr called for a report from the Development, Endowment and Investments Committee. Mr. Yance, Committee Chair, gave a summary on investment performance that was reported on June 4. He advised that allocation adjustments and stock elimination were effected to maintain investment policy parameters. He stated the Committee voted unanimously to recommend approval of **ITEM 20** as follows. Chairman Furr called for a vote and the resolution was approved unanimously:

**RESOLUTION
ADJUSTMENT OF ENDOWMENT MANAGEMENT FEE**

WHEREAS, the University of South Alabama has an ongoing responsibility to build endowment assets to the financial benefit of the University, thereby strengthening its ability to enhance the quality of University programs, and

WHEREAS, the activities necessary to build and maintain the University's endowment require expenditures for such costs associated with engaging financial management services, support for fundraising activities, management of the endowed gift process, where appropriate, liquidating of real and personal property accepted as gifts, and other such business-related expenditures, and

WHEREAS, the University has used the mechanism of a management fee on endowment assets to provide a stable source of funding for all such business activities related to acquisition of new assets and management for the growth of assets through prudent and strategic investment, and

WHEREAS, increasing the management fee assessed against the endowment assets from its current rate of 1.00 percent to 1.25 percent would assist in funding development and alumni relations programming in the face of stagnant state appropriations and be consistent with best practices among universities nationally,

THEREFORE, BE IT RESOLVED, the Board of Trustees, on the recommendation of its Development, Endowment and Investments Committee, authorizes the University to assess an annual management fee of 1.25 percent of total assets held in the endowment as of September 30 of each year and retroactive to September 30, 2014, and

BE IT FINALLY RESOLVED that the President is authorized to designate the expenditure of resources generated by this management fee as appropriate through the University budgeting process.

President Waldrop and Dr. Busta joined Mr. Yance for presentation of **ITEM 21** as follows. Mr. Yance and Dr. Busta shared perspective on the significant contributions and fine character of USA donors Fanny and Bert Meisler, whose regrets for missing the meeting were shared with Trustees. College of Arts and Sciences Dean Dr. Andrzej Wierzbicki discussed the meaningful way the Meislers chose to make an impact on students and the public in founding and endowing a Jewish studies program. Mr. Yance read the resolution and moved approval. Ms. Mitchell seconded and the resolution was approved unanimously. Judge Simon stated a curriculum of this type was long overdue and attests to the excellent nature of the Meislers and to the quality of the Institution:

RESOLUTION

THE FANNY AND BERT MEISLER ENDOWED PROFESSORSHIP IN JEWISH STUDIES

WHEREAS, for 51 years, the University of South Alabama has vigorously pursued its mission of education and service to the Gulf Coast region, including scholarly exploration and dissemination of knowledge, and

WHEREAS, ensuring that our graduates leave our campus as thoughtful, committed citizens is of vital importance to the health, welfare and success of our region, state and nation, and

WHEREAS, Mr. and Mrs. Bert Meisler already have pursued this objective with exceptional generosity providing financial support to the University of South Alabama, thus enabling students at the University to enrich their lives through the pursuit of higher education, and

WHEREAS, Mr. and Mrs. Meisler have supported the University with substantial charitable gifts including a leadership role in establishing the *Ripps-Meisler Endowed Chair* in the USA College of Medicine, providing necessary funding to name the student services center *Meisler Hall*, and giving extensive support to the University's athletic programs, and

WHEREAS, Mr. and Mrs. Meisler have generously committed to providing philanthropic support to establish an endowed fund to invest in the continued success of the Jewish Studies Program at the University of South Alabama and to expand and deepen the University's relationship with Mobile's Jewish community, and

WHEREAS, a Jewish Studies program in the College of Arts and Sciences, focusing on the history, religion and culture of the Jewish people will illuminate important issues of group and national identity, diaspora, genocide and cultural survival, and will have relevance not only to those who seek a richer understanding of the Jewish experience but also to students of other dispossessed or minority groups, and

WHEREAS, the *Fanny and Bert Meisler Professorship in Jewish Studies Endowment Fund* represents a profound advancement of the academic programs of the University of South Alabama that will accrue to the benefit of citizens across the Gulf Coast region for generations to come,

THEREFORE, BE IT RESOLVED, the Board of Trustees expresses its deep gratitude to Fanny and Bert Meisler for their visionary partnership and extraordinary generosity in establishing this endowed fund and declares that this endowed professorship at the University of South Alabama will hereafter be known as *The Fanny and Bert Meisler Endowed Professorship in Jewish Studies*.

Concerning **ITEM 22** as follows, Regina and Steve Simmons were asked to join Chairman Furr and President Waldrop for the reading of the resolution. On motion by Mr. Corcoran, seconded by Mr. Shumock, the resolution was approved unanimously. Words of appreciation and admiration were exchanged for Mr. Simmons' longstanding devotion and service to the University, which included two tenures and multiple administrative roles with the Health System and the main campus. Mr. Simmons claimed it an honor to spend his career at USA and concluded his remarks with a resounding "Go Jags!"

**RESOLUTION
COMMENDATION OF MR. STEPHEN H. SIMMONS**

WHEREAS, Stephen H. Simmons has faithfully served the University of South Alabama in numerous capacities over the course of four decades, both with the USA Health System and the University's main campus, and

WHEREAS, Mr. Simmons first joined the University in 1977, working his way from Internal Auditor, to Senior Accountant, to Manager of Hospital Accounting, to Assistant Hospital Controller, to Hospital Administrator, to Senior Hospital Administrator and finally, to Associate Vice President for Medical Financial Affairs, and

WHEREAS, Mr. Simmons played a leading role in the creation of a health maintenance organization that provided innumerable benefits to the USA Health System and to countless patients along the Gulf Coast, as well as developing the Medicaid Maternity Waiver Program for Mobile County, and

WHEREAS, the University of South Alabama Board of Trustees, on April 1, 2004, unanimously approved a resolution expressing the Board's appreciation to Mr. Simmons for his many contributions to the University, and offering its best wishes upon his recent retirement, and

WHEREAS, Mr. Simmons' unique skills rendered him such an essential employee that it was in the University's best interests to bring him out of retirement in 2008 to serve this institution once more, and

WHEREAS, Mr. Simmons returned as Assistant Vice President for Financial Affairs and later, as Senior Associate Vice President for Financial Affairs as well as Chief Financial Officer for Athletics, with management responsibility of University computing and information systems, internal audit and risk management, the Mitchell Center, the USA Springhill campus and the Brookley Center, and, most recently, he served as Vice President for Finance and Administration, and

WHEREAS, Mr. Simmons is not only a master of many talents at the University, but is also a master of the art of retirement, this being his second time to do so,

THEREFORE, BE IT RESOLVED that the University of South Alabama Board of Trustees expresses its heartfelt admiration of Mr. Stephen H. Simmons for his untiring efforts on behalf of the University, and offers encouragement that this second retirement will provide him greater leisure than the first.

There being no further business, the meeting was adjourned at 12:20 p.m.

Attest to:

Respectfully submitted:



James H. Shumock, Secretary



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

APPENDIX A

Student Investment Fund Proposal
Mitchell College of Business
University of South Alabama

Bob Wood, Ph.D.
Mitchell College of Business, Dean

Kenneth Hunsader, Ph.D.
Department of Economics and Finance, Chair

Kyre Dane Lahtinen, Ph.D.
Jaguar Investment Fund Faculty Advisor

March 26, 2015

Preface

Student managed investment funds have become common over the last decade. As of 2008 there were more than 200 such funds in existence. A 2009 study found that, among 35 surveyed universities, the median student managed fund size was \$460,000 with 11 of the 35 funds managing at least \$1,000,000. Approximately 70% of the student managed funds surveyed invested at least 90% in equities.^{1, 2}

Mitchell College of Business student managed fund is expected to have an initial principle amount of \$250,000 from two sources. The college received a generous donation of \$100,000 from Clarence M. Frenkel, Jr. for the creation of a student managed investment fund; and, to assist with initial funding and as a sign of confidence in the fund's future student managers, the Mitchell College of Business is contributing an additional \$150,000 to the fund from the college endowment.

We believe the student investment fund will benefit the University by helping recruit new students, by retaining existing students, by improving our graduates' job placements, and by increasing the prestige of the University and the College.

This proposal incorporates thoughts and ideas from initial discussions within the University about how the University of South Alabama Student-Managed Fund at the University of South Alabama should function. Many sections of this proposal are based on documentation from well-established student investment funds at Florida State University, University of North Florida, and Salisbury University. All materials are used and/or modified with permission.

¹Trejos, Nancy, "U-Md. Students Bring their Real-Money Fund Home to a Surprising Finish," Washington Post 2008-05-11 Page F1 <http://www.washingtonpost.com/wp-dyn/content/article/2008/05/10/AR2008051000197.html?hpid=sec-business>

²Peng, Joe, Ronald Bremer, and William Dukes, 2008. "Evidence On Student-Managed Funds: A Survey of U.S. Universities," Business Education and Accreditation, Volume 1 Number 1

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1 Overview

This proposal aims to establish groundwork for The University of South Alabama Student-Managed Fund (Jaguar Investment Fund) at the University of South Alabama (USA). Jaguar Investment Fund has the dual purpose of meeting the investment mission established by the USA Board of Trustees (Board) and fulfilling the operational procedures and educational goals established by the Mitchell College of Business (MCOB) as defined herein.

1.1 Fund Mission

The Jaguar Investment Fund's mission is to advance the educational and career opportunities of its Student Managers (Student Manager as defined in Section 6.4), to achieve outstanding investment performance for its client, and to grow the Jaguar Investment Fund by building reserves and attracting new donors.

1.2 Fund Objectives and Educational Goals

The Jaguar Investment Fund's purpose is to introduce and teach students how to actively manage a portfolio. The objective of the Jaguar Investment Fund is to enrich student education through active participation in financial markets. Students perform stock selection and management of a real portfolio, thus gaining hands-on money management experience. They learn to deal with the uncertainty inherent in the process of estimating stock value and contrasting it to stock price. The process helps students to develop their intuition and provide a practical application for investment decisions. To accomplish these goals the Jaguar Investment Fund:

- provides students with real-world experience implementing investment selection and management principles
- offers students the opportunity to attain knowledge through the application of concepts learned in their coursework
- encourages students to acquire a deeper and more complex understanding of the concepts taught throughout their college studies
- exposes students to a number of alternative investment strategies
- increases students' verbal communication and presentation skills through weekly roundtable discussions on a variety of topics that relate to the active management of investment capital
- teaches prudent management practices by controlling the costs of managing and administering the fund.

1.3 Method of Operation

The Jaguar Investment Fund is managed by concentrating on four main functions: Active Investment Management, Economic Forecasting, Risk Management and Reporting, and Fund Perpetuation.

- **Active Investment Management:** The investment objective is to buy (sell) securities that are believed to be currently underpriced (overpriced) and have positive (negative) future prospects. Active Investment Management implies the Jaguar Investment Fund will make trades with both long-term and short-term horizons.

Decisions for long-term horizon trades rely on analysis which includes discounted cash flow models or other fundamentals based valuation techniques. Decisions for short-term horizon trades attempt to take advantage of mispriced securities brought about by investors' irrational beliefs and trading patterns. Some examples of such techniques are: Post-Earnings Announcement Drift, Momentum, and Overreaction (as defined by Debondt & Thaler). Short-term trading also looks for other opportunities such as industry and/or geographic over- or under-weighting, etc.

- **Economic Forecasting:** The research objective is to gauge the temperature of the market as a whole and keep the Jaguar Investment Fund abreast of any upcoming news or events that might affect current holdings or future investments. This is done through presenting routine reports consisting of macroeconomic variables, economic indicators, earnings report dates, and significant news releases.
- **Risk Management and Reporting:** This function monitors the Jaguar Investment Fund's holdings and exposures and produces reports for the Student Managers, the Faculty Advisor, potential donors, and others. Jaguar Investment Fund performance is monitored using daily brokerage statements, trade reports, and Excel workbooks constructed by the group's members.
- **Fund Perpetuation:** This function focuses on maintaining positive relationships with fund alumni, industry partners, potential donors, and other stakeholders. Additionally, this function manages the fund's marketing and brand presence and coordinates special projects.

To fulfill these four main functions the Student Managers serve in well defined roles including Financial Analyst, Economist, Political Analyst, Operations Manager, Risk Analyst, Accountant, Alumni Relations Director, and Special Projects Coordinator. In these several roles the Student Managers develop presentations and solicit approval of the proposed security purchase or sale or other Jaguar Investment Fund action.

1.4 Risk Control Overview

- A Jaguar Fund Oversight Committee (JFOC) functions within MCOB and provides direct oversight of the operations of the Jaguar Investment Fund. The JFOC includes the Dean of MCOB, the Chair of the Economics and Finance Department, and three other MCOB faculty members excluding the Jaguar Investment Fund Faculty Advisor.
- A system of checks and balances has been designed to assure transparency between Student Managers, the Faculty Advisor, JFOC, the Board, and any other stakeholders.
- Limits are placed on the percentage any given strategy or individual holding can represent relative to the fund's asset base.
- Any deviations from predetermined limits must be approved by the Jaguar Fund Oversight Committee.
- Stop loss and/or limit orders are placed on some trades to limit the exposure to adverse market movements.
- The Jaguar Investment Fund portfolio composition and its performance are monitored to confirm the fund is operating within applicable limits.

1.5 Trading Procedures

- All proposed trades must first be presented to the Student Managers and Faculty Advisor. All materials pertaining to the proposed trade must be distributed prior to their presentation.
- All trades must be approved by the Student Managers with no less than 70% supporting the action.
- All trades must be approved by the Faculty Advisor. The Faculty Advisor retains the right to veto any action voted upon by the Student Managers.
- Once approved, trades are executed by the Faculty Advisor.
- Access to the brokerage trading account is protected by a multi-factor authentication system. Said multi-factor authentication system is unknown to the Student Managers.

1.6 Performance Benchmark

- The Jaguar Investment Fund aims to achieve portfolio returns in excess of a benchmark of the S&P 500.

2 Code of Ethics

The trusteeship and investment management of educational funds demands the highest degree of confidence from beneficiaries of the funds and the University of South Alabama in general. Students and faculty members managing the Jaguar Investment Fund hold a public trust that obligates them to honesty and integrity in fulfilling the responsibilities to which they are appointed. Paramount in that trust is the principle that the Jaguar Investment Fund may not be used for personal gain or private advantage. The beneficiaries of the Jaguar Investment Fund expect Student Managers and faculty to perform their educational exercises in accordance with the highest ethical and moral standards and to conduct the business of the Jaguar Investment Fund in a manner that advances the students' and University's interests.

- Students and faculty shall maintain a duty of loyalty to the University and act in the best interests, and for the exclusive benefit, of the University.
- Students and faculty shall avoid personal, social, employment, or business activities and relationships that reflect adversely on the individual's objectivity, create conflicts of interest (including those related to the proper execution and management of investment decisions), impair their ability to make impartial decisions, or otherwise interfere with the proper performance of their official duties.
- Students and faculty shall provide documentation of any relationship, investment, financial position, or other activity that may be viewed as a conflict of interest with the interests of the Jaguar Investment Fund and University. This includes but is not limited to any personal holdings of securities that are also traded by the Jaguar Investment Fund.
- Students and faculty shall exercise prudence and integrity in the management of funds in their custody and in all financial transactions.
- Neither students nor faculty shall falsify or fail to record proper entries on any books or records of the Jaguar Investment Fund, or knowingly sign or permit the issuance of any statement or report which contains any misstatement or which omits any material fact.
- Students and faculty shall abide by approved practices and recommended standards set forth by the Jaguar Fund Oversight Committee.
- Student Managers and faculty have an affirmative duty to immediately report directly to either the Jaguar Fund Oversight Committee or University faculty, any student or faculty related fraud or misconduct (whether actual or suspected), student or faculty material error that adversely affects the Jaguar

Investment Fund assets or interests, misrepresentation or omission of material information in internal and external reporting, and any violations of laws, rules, or Jaguar Investment Fund policies.

- The University shall investigate any report upon first being made aware of the alleged fraud, misconduct, misrepresentation, error, or omission under this provision.

3 Investment Policy Statement

This Investment Policy Statement (IPS) is established to meet the objectives, guidelines, and restrictions required by the USA Board of Trustees.

3.1 Asset Allocation Guidelines

The Jaguar Investment Fund will be nominally an all-equity based fund. The strategic asset allocation of the investment portfolio is listed in Table 1.

Table 1: ASSET ALLOCATION GUIDELINES

ASSET CATEGORY	LOWER LIMIT	UPPER LIMIT
Large Cap Equity	30%	60%
Mid Cap Equity	0%	30%
Small Cap Equity	0%	20%
International Equity (ADRs)	0%	20%
REIT	0%	10%

*Any portion of the portfolio held in cash will be automatically swept daily into a money market mutual fund by the custodian.

3.2 Performance

3.2.1 Benchmark

The Jaguar Investment Fund aims to achieve portfolio returns in excess of a benchmark of the S&P 500. The performance of the Jaguar Investment Fund may also be benchmarked against a more appropriate index, such as the MSCI All Country World Index, as it may more accurately reflect the asset mix of the the fund.

3.2.2 Reporting

In addition to written reports as provided in section 5.6, the Student Managers will provide an oral report and presentation of the Jaguar Investment Fund's performance, reasoning behind trades, and other pertinent information at least once a semester to the Jaguar Fund Oversight Committee and at least once annually to University Finance and Administration or the President's Administrative Council.

3.3 Permitted Investments

3.3.1 Cash and Cash Equivalents

Cash and cash equivalents will be used to maintain a minimal level of liquidity and provide a temporary parking place for current income and realized capital gains, or as a strategic part of the portfolio asset allocation. Cash positions will consist of:

- Money market funds
- U.S. Treasury Bills
- Fundamentally equivalent investment vehicles

3.3.2 Equities

Equity investments will be used by the Jaguar Investment Fund to provide capital appreciation and dividends. Qualifying equity investments will only consist of exchange traded and listed securities including:

- Common stock of domestic corporations listed on major US stock exchanges
- Preferred stock of domestic corporations listed on major US stock exchanges
- ADRs of foreign corporations listed on major US stock exchanges
- Domestically listed equity ETFs and equity mutual funds

3.4 Trading Limits

3.4.1 Expressed Limits

Portfolio construction and transactions recommended by the s must adhere to the following guideline:

- The goal of the Jaguar Investment Fund is to be fully invested in equities, however market conditions may dictate higher allocations in cash and cash equivalents or equity ETFs and equity mutual funds.
- No initial position allocation will represent more than 5% of the overall fund value.
- No single trade position will represent more than 8% of the overall fund value.
- No one industry will represent more than 15% of the market value of the equity portfolio.
- No one sector will represent more than 25% of the market value of the equity portfolio. This implies that the Jaguar Investment Fund's equity portion will at all times be represented by at least 4 sectors.

- Let industries and sectors be defined as the S&P 500 industries and sectors.

3.4.2 Rebalancing Schedule

The Jaguar Investment Fund will be rebalanced to its trading limits at least at the end of each academic semester or the months of December, April, and August. Fund managers must consider transaction costs and avoid costly excessive rebalancing. Occasionally, price changes may cause violations of the above limits. Any limit violation will require a plan of action and the anticipated schedule for rectifying the violation.

3.4.3 Violation of Limits

Any exceptions to the above limits must be discussed by the Student Managers, Faculty Advisor, and Jaguar Fund Oversight Committee. The details and underlying justification for any deviation from the above limits will be documented and reported to the Jaguar Fund Oversight Committee. Deviations from the above limits must be approved by the Jaguar Fund Oversight Committee and must stay within the following guidelines:

- No initial position allocation will represent more than 9% of the overall fund value.
- No single trade position will represent more than 14% of the overall fund value.
- No one industry will represent more than 20% of the market value of the equity portfolio.
- No one sector will represent more than 30% of the market value of the equity portfolio.
- Let industries and sectors be defined as the S&P 500 industries and sectors.

3.5 Fees

3.5.1 Management Fee Structure

The Jaguar Investment Fund will charge a fee based off an industry standard rate for the fund size and investment style of 1.00% of assets under management. No fee may be charged in years that would reduce the fund value below its initial level of \$250,000.

3.5.2 Management Fee Uses

Any revenue generated from a fee must only be used for the advancement of the educational experience and supplemental professional learning opportunities of the Student Managers. For example, the fees may help cover the cost of research materials, performance monitoring software, trips to competitions or other educational events such as the RISE and Quinnipiac investment conferences, CFA luncheon participation, etc. All distributions of fees must be approved by the Jaguar Fund Oversight Committee.

3.5.3 Management Fee Purpose

Receiving a fee for the management of the Jaguar Investment Fund reinforces the paradigm that the students are the managers; their job managing the fund is a real experience; their work directly translates into more resources for the fund. Charging a fee instills a greater level of responsibility in the Student Managers.

3.5.4 University Management Fee

The Jaguar Investment Fund will be exempt from paying the standard University of South Alabama money management, record keeping, and accounting fee usually paid by outside managers.

3.6 Fund Perpetuation

The corpus of the fund should not be reduced below the original funding amount of \$250,000.

3.7 Distribution Policy

Once the fund reaches \$500,000, a formal distribution policy should be considered to create funding for student learning initiatives such as scholarships or to provide additional funding for educational experiences and supplemental professional learning opportunities. For example, the distributions would be in the target range of 0.50% to 1.00%. This distribution would be in addition to the regular management fee. No distribution may be made that would reduce the fund value below its initial level of \$250,000.

4 Accounting Policies

The Jaguar Investment Fund operates as a fund within the University's endowment and as such complies with established accounting standards for the endowment.

5 Risk Controls

5.1 Risk Control Summary

Our system of internal risk controls is designed to provide reasonable assurance that:

- only approved and relevant transactions are authorized, initiated, executed, and recorded;
- the transactions are initiated, executed, valued, and recorded properly and on a timely basis;
- errors in execution are detected as early as possible;
- Student Managers are not provided trade authority;
- access to the brokerage account is protected by a multi-factor authentication system
 - The first is a username and password that are kept confidential by the Faculty Advisor.
 - The second is a token generated by the Jaguar Investment Fund's broker which must be entered in conjunction with the username and password to gain account access. The exact token methodology will depend upon which broker is selected by the Jaguar Investment Fund.

5.2 Control Objectives

An important aspect of our internal controls is to segregate the duties of operational and accounting tasks to help prevent misappropriation, fraud, and/or error. The records maintained by the Faculty Advisor and distributed routinely to interested parties will contain all necessary information to:

- verify brokerage account positions and transactions;
- provide accurate and transparent monthly, quarterly, and annual reports to the Jaguar Fund Oversight Committee, University Finance and Administration, and USA Board of Trustees.
- ensure Jaguar Investment Fund adheres to overall University endowment policies and maintains non-expendable portions of the corpus as outlined in sections 3.5 and 3.7.

The following sections detail individual control objectives and indicate which functions should be performed to ensure these objectives are met. These control objectives and procedures are monitored by the Jaguar Investment Fund's Risk Management Group, Faculty Advisor, and Jaguar Fund Oversight Committee.

Internal Controls

- A Jaguar Fund Oversight Committee (JFOC) has been organized within the Mitchell College of Business. JFOC functions within MCOB and provides direct oversight of the operations of the Jaguar Investment Fund.
 - The JFOC includes the Dean of MCOB, the Chair of the Economics and Finance Department, and three other MCOB faculty members excluding the Jaguar Investment Fund Faculty Advisor. It is anticipated that membership in this committee will change through time. Proper notification will be sent to all impacted parties.
 - The Jaguar Fund Oversight Committee will review all audits, tax forms, and monthly reports associated with the Jaguar Investment Fund.
 - After reviewing the monthly report provided by the Faculty Advisor, the committee will issue a statement on any possible problems or concerns they have identified.
 - If deemed necessary, the committee will then meet with the fund's Faculty Advisor to go over their findings and to discuss any concerns.
- Automated reports detailing Jaguar Investment Fund performance, current holdings, executed trades and other important metrics will be sent out on a weekly basis.
 - These reports are generated and forwarded daily from the brokerage account.
 - The Jaguar Investment Fund's Risk Management Group has produced an automated report to confirm the fund remains within the position limits described in section 3.4.

Trade Controls

- Internal documents produced by Student Managers include the purpose, goals, and other relevant details of any transaction.
- Any approved transaction is executed in a timely fashion by the Faculty Advisor.
- Diligence is taken to assure that the execution price is consistent with the price limit authorized by fund's Student Managers and Faculty Advisor.
- The transaction, once executed, is properly recorded and reported.
- Financial accounting for the change in value and cash flow between the custodian and the Jaguar Investment Fund is properly reflected in the internal financial statements in accordance with generally accepted accounting principles (GAAP).

These control objectives are achieved by following the procedures described below.

5.3 Control Procedures - Pre-Execution

Trade Approval

- The Faculty Advisor oversees the Jaguar Investment Fund and addresses potential disputes among Student Managers.
- The Jaguar Investment Fund Student Managers conduct research, apply appropriate due diligence, and then present their proposal to the class.
 - All materials pertaining to the proposal must be distributed prior to the presentation.
 - During presentations, group members must address questions and issues from other Student Managers and the Faculty Advisor.
 - Presentations must include a recommendation on the size of the position as well as a target return or price and a plan for exiting the position.
- Student Managers and the Faculty Advisor confirm that the proposed trade falls within the established fund limits and guidelines.
- If the investment proposal is judged appropriate by the Jaguar Investment Fund's Risk Management Group and Faculty Advisor, the Student Managers determine whether or not they are in favor of the proposal. Once debate on the trade's merits is concluded, a poll is taken for every recommendation.
- If the proposal receives at least 70% of votes in its favor, the trade is considered approved contingent on approval from the Faculty Advisor.
- After final approval is granted by the Faculty Advisor, the decision is recorded and all efforts are taken to execute the trade promptly.

Contingency Trade Policy

- In cases where the primary Faculty Advisor is unable to perform the trade approval and execution duties, a contingent faculty advisor selected from the Jaguar Fund Oversight Committee or the Department Chairman will be granted the authority to temporarily approve and execute trades.

5.4 Control Procedures - Execution and Post-Execution

Trade Execution

- Trades are executed on the broker's trading platform.

- After a trade is executed, the Faculty Advisor receives an e-mail notification from the brokerage containing confirmation and an internal trade ticket.
- All trades are reported to the Department Chair and Jaguar Fund Oversight Committee. Daily trade reports are also e-mailed to an established e-mail list.

Post-Execution Policies

- If possible, the Jaguar Investment Fund utilizes professional class risk management and reporting software.
- Routine (daily to monthly) reports detailing open positions, settlement prices, and cash balances are forwarded to established e-mail lists.
- The Jaguar Investment Fund's Risk Management Group updates a position report daily that compares the current portfolio holdings to established targets and limits.
- Regular reports detailing the fund's performance are furnished to the Student Managers, Jaguar Fund Oversight Committee, Department Chair, University Finance and Administration, USA Board of Trustees, and any other interested parties.
 - Performance is reported as the percentage return for the month (or other applicable time period if required). The contemporaneous return of the Jaguar Investment Fund's overall benchmark is also reported.
 - The percentage return is calculated by taking the period's ending portfolio value over the portfolio's starting value and subtracting one, $[(V1/V0) - 1]$.
- Internal audit reviews are performed to help ensure compliance with the policies and procedures.
- During any scheduled university breaks the Faculty Advisor and any Student Managers that are available maintain the portfolio.
- During the summer semester the Faculty Advisor maintains the portfolio in accordance with predetermined guidelines voted upon by the Student Managers prior to leaving for the summer. A limited number of students may work with the Faculty Advisor during the summer as part of a special topics or directed individual study course to fulfill the predetermined guidelines for the fund.
- If the Faculty Advisor is not present, a contingent faculty advisor will assume the role and duties of the Faculty Advisor and assist the Student Managers in administering the Jaguar Investment Fund.

- The Student Managers, with assistance from the Risk Management Group and the Faculty Advisor, monitor the performance of the fund's holdings. Any underperforming securities, securities that have reached their targets, or securities that no longer satisfy the goals of the fund are sold.
- The Student Managers provide quarterly updates on securities that contributed meaningfully to the fund's performance. These updates are then included in the Jaguar Investment Fund Quarterly Report.

5.5 Control Procedures - Unauthorized Trading and Position Monitoring

One key component in the detection of unauthorized trading is to maintain a system of multiple contacts with Jaguar Investment Fund trade account information. Other key procedures include authorization of all trading activity and approval of all cash movements by the Faculty Advisor and a member of the Jaguar Fund Oversight Committee or Department Chairman.

Documenting Trades and Transactions

Original confirmations of all trades and transactions, monthly statements, and any other correspondence from the brokerage account will be sent to the Faculty Advisor, the Jaguar Investment Fund Risk Management Group, the Jaguar Fund Oversight Committee, and the Department Chairman.

5.6 Segregation of Duties, Reporting and Account Access

A fundamental element of internal control is the segregation of certain key duties. The basic idea is that no employee should be in a position both to perpetrate and to conceal errors or fraud in the normal course of their duties. In general, the principal incompatible duties to be segregated are:

- Custody of assets
- Authorization or approval of related transactions affecting those assets
- Recording or reporting of related transactions

The lists in Tables 2 and 3 should be viewed as representative of the current status but it can (and will) change with time. The structure will change, for instance, as individuals request more (or less) frequent updates or as new reports are generated.

The Jaguar Investment Fund's assets are currently expected to be held in a brokerage trading account that is comprised of all equities and other financial securities. The table 4 outlines the current permissions granted for this account.

Please see Figure 1 for visual representation of the authority hierarchy of the Jaguar Investment Fund.

5.7 Risk Control Responsibilities of the Faculty Advisor

The core responsibilities of the Faculty Advisor to the Jaguar Investment Fund will be to monitor and advise the Student Managers, execute trades as directed by the Student Managers, provide oversight in the day to day operations of the fund, and generate reports as required.

Specifically, the Faculty Advisor:

- will meet with the Student Managers at least once weekly to hear suggestions for the portfolio, receive updates on the fund's current performance and risk measures, and discuss the future economic outlook.
- will avoid any undue influence in the selection or recommendations for the buying and selling of any securities to the portfolio, but will confirm that any suggestions the Student Managers make are in compliance with the guidelines established for the Jaguar Investment Fund.
- will have veto power over any trade suggestion made by the Student Managers if the suggested trade does not conform to the return and risk goals of the Jaguar Investment Fund or if a proposal lacks research of sufficient quality and depth.
- will execute the trade, either a buy or sell order, and confirm that the order was executed accurately when a trade is agreed upon by the Student Managers.
- may require additional information from the Student Managers or a revote if market conditions substantially differ between the time the vote occurs and when the trade may reasonably be placed.
- should receive a number of reports detailing the status of the portfolio. Trade confirmations are sent daily to the Faculty Advisor. These reports are automatically forwarded to an established e-mail distribution list.

Table 2: SEGREGATION OF DUTIES

DUTIES	STUDENT MANAGERS	RISK MGMT. GROUP	FACULTY ADVISOR	JAGUAR FUND OVERSIGHT COMMITTEE	UNIVERSITY INVESTMENT MANAGER	PROFESSIONAL ACCOUNTANT
Security Selection	X					
Trade Approval	X					
Trade Veto		X	X			
Trade Execution			X			
Trade Review	X	X		X		
Position Limits		X	X			
Report Generation	X	X	X			
Monthly Reconciliation				X	X	
Auditing						X

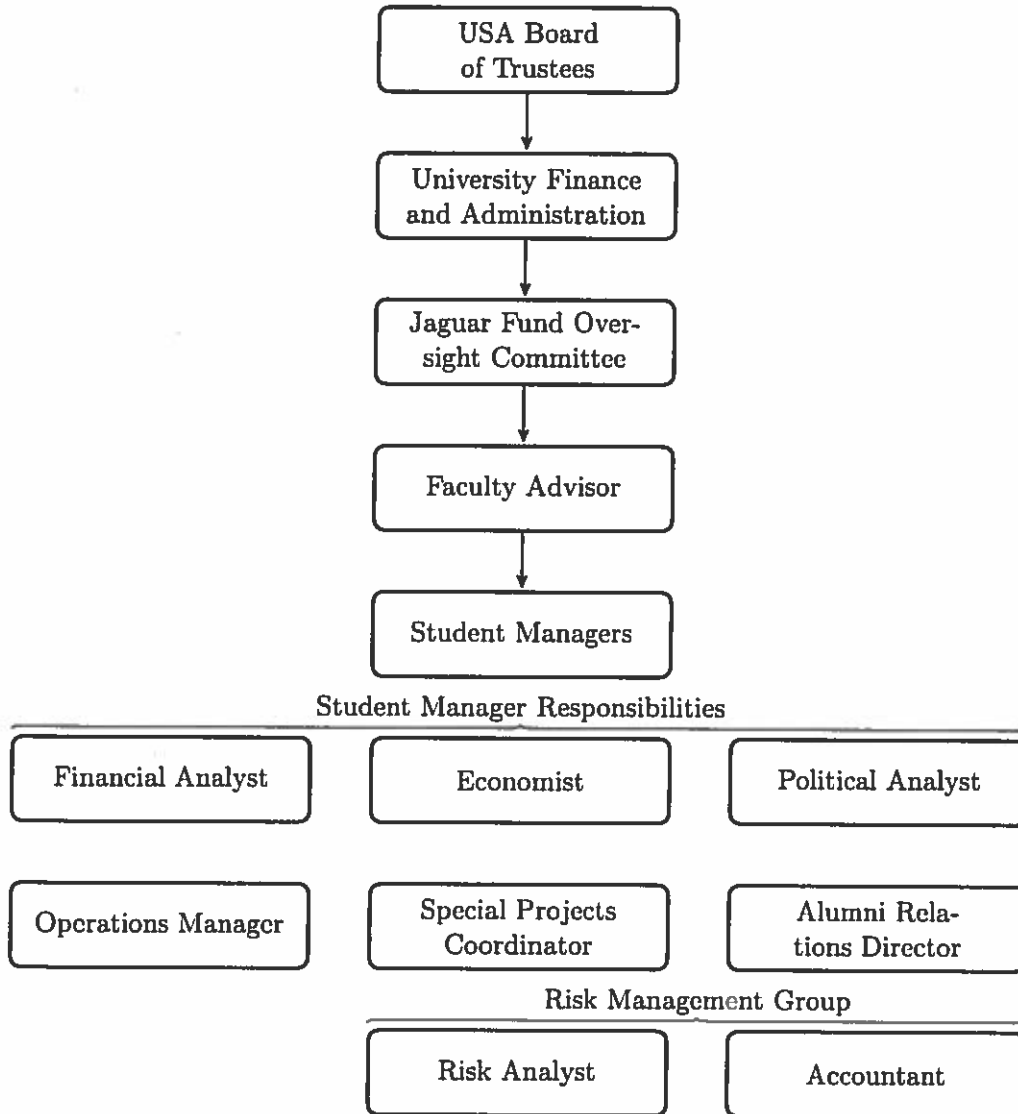
Table 3: REPORT DISTRIBUTION SCHEDULE

REPORT	STUDENT MANAGERS	RISK MANAGEMENT GROUP	FACULTY ADVISOR	JAGUAR FUND OVERSIGHT COMMITTEE	UNIVERSITY INVESTMENT MANAGER	VP FOR FINANCIAL AFFAIRS	USA BOARD OF TRUSTEES
Daily Brokerage Statement		X	X				
Weekly Brokerage Statement	X			X			
Monthly Brokerage Statement	X	X			X		
Daily Trade Summary	X	X	X	X			
Quarterly Jaguar Investment Fund Report	X	X	X	X	X	X	
Annual Jaguar Investment Fund Report	X	X	X	X	X	X	X

Table 4: ACCOUNT ACCESS

ACCESS GRANTED	FACULTY ADVISOR	FINANCE DEPARTMENT CHAIRMAN	JAGUAR INVESTMENT FUND OVERSIGHT COMMITTEE	UNIVERSITY INVESTMENT MANAGER
Brokerage (Trading)	X			
Brokerage (Report Generation)	X	X	X	X

Figure 1: Organizational Chart



6 Course Structure and Fund Implementation

6.1 Fund Branding and Marketing

The fund should be professionally branded including:

- consistent look and feel of official logo, letterhead, business cards, polos, etc
- online presence including past fund performance and Alumni
- distributable materials for academic advisors and recruiters to distribute to potential, incoming, or existing students

The MCOB has committed to cover the continuing costs of branded materials such as letterhead, business cards, polos, etc.

6.2 Selecting Students

Becoming a Student Manager of the Jaguar Investment Fund is a competitive process. The fund accepts no more than 12 students each year. In order to be eligible for the application process a student must have successfully completed FIN 420 Investments with a grade of at least B. Although most students are likely to be Economics or Finance undergraduate majors, no particular major is excluded, whether undergraduate or graduate, as long as the student has completed FIN 420 Investments or a suitable replacement with a grade of at least B. Any student that has successfully completed both FIN 420 Investments and FIN 421 Portfolio Management will receive extra consideration. The application will contain questions to ascertain:

- Scholastic Aptitude
- Writing And Communication Ability
- Interest in Investments as a Field
- Personal Experience Investing
- Relevant Work or Internship Experience
- Future Career Aspirations

The Jaguar Investment Fund Faculty Advisor and the Department of Economics and Finance Chair review all applications and select a group of finalists. All finalists may be interviewed by the Faculty Advisor or one member of the Jaguar Fund Oversight Committee. A determination is made on which students will be admitted to the fund by the Faculty Advisor and the Jaguar Fund Oversight Committee. The Faculty Advisor notifies those applicants admitted to the fund. Admitted students

will be provided with Jaguar Investment Fund reports, list of books, and other materials to review during the summer in order to be prepared for the fall semester.

Students admitted to the Jaguar Investment Fund agree to work with the fund for two consecutive semesters beginning in the fall and ending in the spring. Students that do not earn a grade of at least B during the fall semester will be rendered ineligible for the spring semester.

The student admission process will usually follow the timeline contained in Table 5. However, the Jaguar Fund Oversight Committee reserves the right to modify the timeline or admit students to the Jaguar Investment Fund should special circumstances arise.

Table 5: STUDENT SELECTION TIMELINE

EVENT	DATE
Application availability begins	March 1
Application deadline	April 20
Admitted students notified	May 15

6.3 Faculty Advisor Roles

The Faculty Advisor is responsible for fulfilling all duties as laid forth in sections 1.2 and 5.7. Furthermore, the Faculty Advisor fosters a professional environment where the Student Managers learn the appropriate attitudes, comportment, and activities befitting professional managers.

The Faculty Advisor reinforces the paradigm that the students should identify the USA Board of Trustees as the client. This removes abstraction from the fund. The fund is not just some money the students manage. The fund contains money that belongs to a client. The Faculty Advisor ensures the Student Managers manage the money in accordance with the client's expectations and wishes.

6.4 Student Roles

Each Student Manager serves in the role of Financial Analyst and at least one additional role as defined in this section.

Financial Analyst

Each Financial Analyst is responsible for preparing presentations on securities to be added to or removed from the Jaguar Investment Fund Portfolio. Financial Analysts employ analytical tools to justify any financial model, any assumption made in a financial model, or any buy/sell recommendation. A Financial Analyst will be responsible for learning the details of any security they recommend and for monitoring the security while it is part of the portfolio.

Economist

Each Economist specializes in a different economic sector as defined by S&P. They establish the degree of sector diversification and provide weekly updates of their respective sector's economic condition. The Economists also have responsibility for two main geographic regions divided between the North American economy and other international economies. The Chief Economist covers the North American economy, tracks short-term and long-term interest rates and coordinates the economic reports generated by the team. The Economists, most notably the one covering North America, also make recommendations about relative weightings between equity and cash and cash equivalents allocations. The other Economists make recommendations about the degree of equity exposure in their respective sector. Economists may receive multiple sector or geographic assignments as need.

Political Analyst

The Political Analyst covers elections, regulations, deliberations by Congress and any other political event or issue that may impact on the value of the Fund.

Operations Manager

The Operations Manager is responsible for preparing and distributing the minutes of each meeting. This position contributes to the maintenance of the Sakai site. The Operations Manager also maintains the physical facilities under the control of Jaguar Investment Fund.

Risk Analyst

The Risk Analyst is responsible for monitoring the Jaguar Investment Fund to verify that all positions are in harmony with the Investment Policy Statement. Through the use of both scheduled and unscheduled analysis, the Risk Analyst identifies the portfolio's various exposures. The Risk Analyst recommends actions to rectify any unnecessary or unusual risks.³

Accountant

The Accountant maintains the official books for the Jaguar Investment Fund, prepares monthly, quarterly, and annual reports, and records each of the transactions and other financial activities of the Jaguar Investment Fund. In addition, the Ac-

³The Risk Analyst and the Accountant combine to form the Jaguar Investment Fund's Risk Management Group. This group has responsibilities as delineated in section 5. The Risk Management Group is able to veto any trade that violates the Investment Policy Statement.

countant works closely with the accountants of USA in auditing and liaison capacities.^{3, 4}

Alumni Relations Director

The Alumni Relations Director is responsible for communication with past Jaguar Investment Fund alumni. The Alumni Relations Director sends updates on performance, employment, and anything interesting related to Jaguar Investment Fund. The Alumni Relations Director maintains a database of all alumni contact information.

Special Projects Coordinator

The responsibility of the Special Projects Coordinator is to handle a wide range of issues that may arise throughout the year which are pertinent to the operation of the Jaguar Investment Fund.

⁴Accounting majors within the MCOB may be given extra consideration in the application process with the goal that this specific position be filled by one of these students.

6.5 Example Fall Course Syllabus

FIN 425

STUDENT MANAGED INVESTMENT FUND I

6.5.1 Description

This is the first in a sequence of two courses whereby students manage a real portfolio of securities. The selected students research the prospective investments, generate reports, and make decisions to buy or sell the securities. Administrative responsibilities are assigned and analyst teams are formed. Students accepted into the course must continue to Student Managed Investment Fund II during the next term unless otherwise disqualified. Requires department chair permission.

Prerequisite: a minimum grade of "B" is required in FIN420

6.5.2 Course Objectives

The Jaguar Investment Fund's purpose is to introduce and teach students how to actively manage a portfolio. The objective of the Jaguar Investment Fund is to enrich student education through active participation in financial markets. Students assist in stock selection and management of a real portfolio, thus gaining hands-on money management experience. They learn to deal with the uncertainty inherent in the process of estimating stock value and contrasting it to stock price. The process helps students to develop their intuition and provide a practical application for investment decisions. To accomplish these goals the Jaguar Investment Fund:

- provides students with real-world experience implementing investment selection and management principles
- offers students the opportunity to attain knowledge through the application of concepts learned in their coursework
- encourages students to acquire a deeper and more complex understanding of the concepts taught throughout their college studies
- exposes students to a number of alternative investment strategies
- increases students' verbal communication and presentation skills through weekly roundtable discussions on a variety of topics that relate to the active management of investment capital
- teaches prudent management practices by controlling the costs of managing and administering the fund.

6.5.3 Required Course Materials

- Bodie, Kane and Marcus, "Investments", 10th edition, McGraw-Hill, 2014
- McKinsey & Company, Koller, Goedhart, Wessels, "Valuation: Measuring and Managing the Value of Companies", 5th edition, John Wiley & Sons, 2010
- Benninga, "Financial Modeling", 4th edition, MIT Press, 2014
- Access to a Mac or PC and a working knowledge of Excel

6.5.4 Sakai and Other Online Resources

This course will heavily rely on Sakai and other online resources. It is the responsibility of the student to regularly check for any announcements or additional materials that may be placed on the course Sakai page.

6.5.5 Student Assigned Roles

Each student serves in the role of Financial Analyst and at least one additional role from the following list: Economist, Political Analyst, Operations Manager, Risk Analyst, Accountant, Alumni Relations Director, and Special Projects Coordinator.

6.5.6 Participation

Your active participation during our class meetings is required for this course. Actively participating means that you listen to the contributions of others, ask appropriate questions, and voice your opinion on a regular basis. Actively managing a fund requires constant contact with issues pertinent to the fund and its interests. You are expected to monitor outside of class any security, economic sector, geographic region, or other area assigned to you, notify your fellow managers and the professor of any important developments in your areas that occur during the week, and participate in any ongoing discussion or debate that occurs on the course website.

Simply showing up is not enough to get full credit for participation, as stated, your actual participation is important as is your thoughtful contribution to the class. Behaving in a lackadaisical or unengaged manner may result in a zero for your participation grade.

6.5.7 Analyst Reports

Each student is expected to give regular Analyst Reports to the class. Analyst Reports may include status reports on economic conditions within each sector or geographic region, information updates on the performance of existing positions, and pitches for new positions or other trading actions.

You are encouraged to work together in groups for your stock pitch presentations. Groups may be no larger than three students without the approval the professor. Natural groups will form between students that have similar sector and geographic assignments as the stock that is being presented. Groups also will form between students that have complimentary skill sets for the analysis of the stock.

Students must distribute presentation material for new stock pitches prior to sharing the material in class. This is crucial as it provides the opportunity for other students to review the material before class and for a more robust discussion of the stock pitch.

6.5.8 Project Portfolio

At the end of the semester each student is expected to compile all of their presentations, analysis, and projects and design a comprehensive portfolio of your work samples. The main purpose of the project portfolio is to provide a unified look at your abilities and progression. The project portfolio may be an important distinguishing factor in your job interview process at the end of your academic career.

6.5.9 Grading Policy

The grade for this class is based on the quality of your Financial Analyst Reports, fulfillment of other assigned roles, participation, and the quality of your project portfolio. I reserve the right to offer class wide extra credit assignments; please be aware that there will be no extra credit opportunities given to individuals during this course., Grades will be given the following breakdown:

Weighting System		Final Grade Scale	
Financial Analyst Reports	= 30%		A ≥ 90%
Other Assigned Roles	= 30%	90% >	B ≥ 80%
Participation	= 30%	80% >	C ≥ 70%
Project Portfolio	= 10%	70% >	D ≥ 60%
		60% >	F

6.5.10 Attendance

Attendance at every class meeting is mandatory. Only in extraordinary situations will an excused absence be granted. Otherwise, failure to attend even one class subjects the student to immediate dismissal from the course with a grade of F.

6.5.11 Excused Absence Policy

Excused absences include documented illness, deaths in the family and other documented crises, call to active military duty or jury duty, religious holy days, and official University activities. These absences will be accommodated in a way that

does not arbitrarily penalize students who have a valid excuse. Consideration will also be given to students whose dependent children experience serious illness.

6.5.12 Academic Disruption Policy

The University of South Alabamas policy regarding Academic Disruption is found in The Lowdown, the student handbook (<http://www.southalabama.edu/lowdown/academicdisruption.shtml>): “Disruptive academic behavior is defined as individual or group conduct that interrupts or interferes with any educational activity or environment, infringes upon the rights and privileges of others, results in or threatens the destruction of property and/or is otherwise prejudicial to the maintenance of order in an academic environment.”

6.5.13 Student Academic Conduct Policy

The University of South Alabamas policy regarding Student Academic Conduct Policy is found in The Lowdown (<http://www.southalabama.edu/lowdown/academicconductpolicy.shtml>): “The University of South Alabama is a community of scholars in which the ideals of freedom of inquiry, freedom of thought, freedom of expression, and freedom of the individual are sustained. The University is committed to supporting the exercise of any right guaranteed to individuals by the Constitution and the Code of Alabama and to educating students relative to their responsibilities.” Students enrolled in on campus courses are expected to adhere to the Academic Conduct Policy. In particular, students are expected to complete their own coursework and not provide unauthorized information or materials to another student. Any student found in violation of this policy may receive a grade of F and may be reported to the proper university authorities.

6.5.14 Students With Disabilities

In accordance with the Americans with Disabilities Act, students with bona fide disabilities will be afforded reasonable accommodations. The Office of Special Student Services (OSSS) will certify a disability and advise faculty members of reasonable accommodations. If you have a specific disability that qualifies you for academic accommodations, please notify the instructor/professor and provide certification from the Office of Special Student Services. OSSS is located at 5828 Old Shell Road at Jaguar Drive, (251-460-7212).

6.5.15 Online Writing Support

The University of South Alabama provides online writing tutoring services through SMARTHINKING, an online tutoring service. SMARTHINKING is available at <http://services.smarthinking.com>. Students may enter the site by logging on with their Jag number and using the last four digits of the social security number as

the password. For log-on problems, technical questions and/or on-campus writing assistance, contact the USA Writing Center at 251-460-6480 or e-mail csaintpaul@usouthal.edu. Information about the University Writing Center and Online Writing Lab can be found online at:

<http://www.southalabama.edu/univlib/instruction/antiplagiarism/writinghelp.html>.

6.5.16 Syllabus Change Policy

Not all classes progress at the same rate thus course requirements might have to be modified as circumstances dictate. You will be given written notice if the course requirements need to be changed.

Table 6: COURSE SCHEDULE - STUDENT MANAGED INVESTMENT FUND I

TERM	DEFINITION
Week 1	Introduction to the Course Distribution and Review of Jaguar Investment Fund Playbook Discussion of Officer and Sector Assignments Review of Portfolio Management Rules Review of Analyst Report Preparation Statistical Summary and Presentation of Current Portfolio
Week 2	Jaguar Investment Fund photograph for webpage and Annual Report; Business attire required State of the Economy Briefing by North American Economists Sector Briefings by Economists Financials, Health Care, Consumer Staples, Energy, Information Technology, Telecommunications
Week 3	Sector Briefings by Economists Industrials, Consumer Discretionary, Materials, Utilities, Fixed Income Summary
Week 4	Economist Briefings on Europe, Latin America and Asia Determination of Initial Allocations and Sector Weights
Week 5	Analyst Presentations/Industry Visitor
Week 6	Analyst Presentations
Week 7	Analyst Presentations
Week 8	Analyst Presentations
Week 9	Analyst Presentations
Week 10	Analyst Presentations
Week 11	Analyst Presentations
Week 12	Analyst Presentations/Industry Visitor
Week 13	Analyst Presentations
Week 14	Analyst Presentations
Week 15	Analyst Presentations/Presentation to Jaguar Fund Oversight Committee
Week 16	Portfolio Management Strategy for Semester Break

6.6 Example Spring Course Syllabus

FIN 426

STUDENT MANAGED INVESTMENT FUND II

6.6.1 Description

This is the second in a sequence of two courses whereby students manage a real portfolio of securities. The selected students research the prospective investments, generate reports, and make decisions to buy or sell the securities. Administrative responsibilities are assigned and analyst teams are formed. Students build on and add depth to skills and knowledge acquired in Student Managed Investment Fund I. Requires department chair permission.

Prerequisite: a minimum grade of "B" is required in FIN425

6.6.2 Course Objectives

The Jaguar Investment Fund's purpose is to introduce and teach students how to actively manage a portfolio. The objective of the Jaguar Investment Fund is to enrich student education through active participation in financial markets. Students assist in stock selection and management of a real portfolio, thus gaining hands-on money management experience. They learn to deal with the uncertainty inherent in the process of estimating stock value and contrasting it to stock price. The process helps students to develop their intuition and provide a practical application for investment decisions. To accomplish these goals the Jaguar Investment Fund:

- provides students with real-world experience implementing investment selection and management principles
- offers students the opportunity to attain knowledge through the application of concepts learned in their coursework
- encourages students to acquire a deeper and more complex understanding of the concepts taught throughout their college studies
- exposes students to a number of alternative investment strategies
- increases students' verbal communication and presentation skills through weekly roundtable discussions on a variety of topics that relate to the active management of investment capital
- teaches prudent management practices by controlling the costs of managing and administering the fund.

6.6.3 Required Course Materials

- Bodie, Kane and Marcus, "Investments", 10th edition, McGraw-Hill, 2014
- McKinsey & Company, Koller, Goedhart, Wessels, "Valuation: Measuring and Managing the Value of Companies", 5th edition, John Wiley & Sons, 2010
- Benninga, "Financial Modeling", 4th edition, MIT Press, 2014
- Access to a Mac or PC and a working knowledge of Excel

6.6.4 Sakai and Other Online Resources

This course will heavily rely on Sakai and other online resources. It is the responsibility of the student to regularly check for any announcements or additional materials that may be placed on the course Sakai page.

6.6.5 Student Assigned Roles

Each student serves in the role of Financial Analyst and at least one additional role from the following list: Economist, Political Analyst, Operations Manager, Risk Analyst, Accountant, Alumni Relations Director, and Special Projects Coordinator. The roles assigned to a student may differ from the assigned roles the student had during FIN 425 at the discretion of the professor.

6.6.6 Participation

Your active participation during our class meetings is required for this course. Actively participating means that you listen to the contributions of others, ask appropriate questions, and voice your opinion on a regular basis. Actively managing a fund requires constant contact with issues pertinent to the fund and its interests. You are expected to monitor outside of class any security, economic sector, geographic region, or other area assigned to you, notify your fellow managers and the professor of any important developments in your areas that occur during the week, and participate in any ongoing discussion or debate that occurs on the course website.

Simply showing up is not enough to get full credit for participation, as stated, your actual participation is important as is your thoughtful contribution to the class. Behaving in a lackadaisical or unengaged manner may result in a zero for your participation grade.

6.6.7 Analyst Reports

Each student is expected to give regular Analyst Reports to the class. Analyst Reports may include status reports on economic conditions within each sector or

geographic region, information updates on the performance of existing positions, and pitches for new positions or other trading actions.

You are encouraged to work together in groups for your stock pitch presentations. Groups may be no larger than three students without the approval the professor. Natural groups will form between students that have similar sector and geographic assignments as the stock that is being presented. Groups also will form between students that have complimentary skill sets for the analysis of the stock.

Students must distribute presentation material for new stock pitches prior to sharing the material in class. This is crucial as it provides the opportunity for other students to review the material before class and for a more robust discussion of the stock pitch.

6.6.8 Project Portfolio

At the end of the semester each student is expected to compile all of their presentations, analysis, and projects and design a comprehensive portfolio of your work samples. The main purpose of the project portfolio is to provide a unified look at your abilities and progression. The project portfolio may be an important distinguishing factor in your job interview process at the end of your academic career.

6.6.9 Grading Policy

The grade for this class is based on the quality of your Financial Analyst Reports, fulfillment of other assigned roles, participation, and the quality of your project portfolio. I reserve the right to offer class wide extra credit assignments; please be aware that there will be no extra credit opportunities given to individuals during this course. Grades will be given the following breakdown:

Weighting System		Final Grade Scale	
Financial Analyst Reports	= 30%		A ≥ 90%
Other Assigned Roles	= 30%	90% >	B ≥ 80%
Participation	= 30%	80% >	C ≥ 70%
Project Portfolio	= 10%	70% >	D ≥ 60%
		60% >	F

6.6.10 Attendance

Attendance at every class meeting is mandatory. Only in extraordinary situations will an excused absence be granted. Otherwise, failure to attend even one class subjects the student to immediate dismissal from the course with a grade of F.

6.6.11 Excused Absence Policy

Excused absences include documented illness, deaths in the family and other documented crises, call to active military duty or jury duty, religious holy days, and official University activities. These absences will be accommodated in a way that does not arbitrarily penalize students who have a valid excuse. Consideration will also be given to students whose dependent children experience serious illness.

6.6.12 Academic Disruption Policy

The University of South Alabamas policy regarding Academic Disruption is found in The Lowdown, the student handbook (<http://www.southalabama.edu/lowdown/academicdisruption.shtml>): "Disruptive academic behavior is defined as individual or group conduct that interrupts or interferes with any educational activity or environment, infringes upon the rights and privileges of others, results in or threatens the destruction of property and/or is otherwise prejudicial to the maintenance of order in an academic environment."

6.6.13 Student Academic Conduct Policy

The University of South Alabamas policy regarding Student Academic Conduct Policy is found in The Lowdown (<http://www.southalabama.edu/lowdown/academicconductpolicy.shtml>): "The University of South Alabama is a community of scholars in which the ideals of freedom of inquiry, freedom of thought, freedom of expression, and freedom of the individual are sustained. The University is committed to supporting the exercise of any right guaranteed to individuals by the Constitution and the Code of Alabama and to educating students relative to their responsibilities." Students enrolled in on campus courses are expected to adhere to the Academic Conduct Policy. In particular, students are expected to complete their own coursework and not provide unauthorized information or materials to another student. Any student found in violation of this policy may receive a grade of F and may be reported to the proper university authorities.

6.6.14 Students With Disabilities

In accordance with the Americans with Disabilities Act, students with bona fide disabilities will be afforded reasonable accommodations. The Office of Special Student Services (OSSS) will certify a disability and advise faculty members of reasonable accommodations. If you have a specific disability that qualifies you for academic accommodations, please notify the instructor/professor and provide certification from the Office of Special Student Services. OSSS is located at 5828 Old Shell Road at Jaguar Drive, (251-460-7212).

6.6.15 Online Writing Support

The University of South Alabama provides online writing tutoring services through SMARTHINKING, an online tutoring service. SMARTHINKING is available at <http://services.smarthinking.com>. Students may enter the site by logging on with their Jag number and using the last four digits of the social security number as the password. For log-on problems, technical questions and/or on-campus writing assistance, contact the USA Writing Center at 251-460-6480 or e-mail csaintpaul@usouthal.edu. Information about the University Writing Center and Online Writing Lab can be found online at:

<http://www.southalabama.edu/univlib/instruction/antiplagiarism/writinghelp.html>.

6.6.16 Syllabus Change Policy

Not all classes progress at the same rate thus course requirements might have to be modified as circumstances dictate. You will be given written notice if the course requirements need to be changed.

Table 7: COURSE SCHEDULE - STUDENT MANAGED INVESTMENT FUND II

TERM	DEFINITION
Week 1	Discussion of Officer and Sector Assignments Statistical Summary and Presentation of Current Portfolio Discussion on Fund Performance During Winter Break
Week 2	Review of Analyst Report Preparation/Analyst Presentations
Week 3	Analyst Presentations/Review of Portfolio Management Rules
Week 4	Analyst Presentations
Week 5	Analyst Presentations/Industry Visitor
Week 6	Analyst Presentations
Week 7	Analyst Presentations
Week 8	Analyst Presentations
Week 9	Analyst Presentations
Week 10	Analyst Presentations
Week 11	Analyst Presentations
Week 12	Analyst Presentations/Industry Visitor
Week 13	Analyst Presentations
Week 14	Analyst Presentations Initial Discussions on Portfolio Management Strategy for Summer Break
Week 15	Presentation to Jaguar Fund Oversight Committee Presentation to USA Board of Trustees
Week 16	Finalization of Portfolio Management Strategy for Summer Break

University of South Alabama

Tuition & Fees, 2015-2016

2.0% Increase

Student Classification	Current*	Proposed*	Change
	<u>2014-2015</u>	<u>2015-2016</u>	
Undergraduate In-State	\$287	\$293	\$6
Graduate In-State	\$387	\$395	\$8

Non-resident rate is twice the resident rate

Student Classification	Current full academic year tuition plus fees	Proposed full academic year tuition & fees	Change in full academic year tuition
	<u>2014-2015</u>	<u>2015-2016</u>	
Undergraduate In-State	\$8,610	\$8,790	\$180
Graduate In-State	\$9,288	\$9,480	\$192

Note: Based on 30 undergraduate and 24 graduate hours over two semesters per academic year

Non-resident rate is twice the resident rate

Web Course per-Hour Tuition*

2.0% Increase

Undergraduate	\$378	\$386	\$8
Graduate	\$460	\$469	\$9

College of Medicine

2.0% Increase

College of Medicine	\$27,682	\$28,236	\$554
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*This rate reflects a general Arts & Sciences major.

**UNIVERSITY OF SOUTH ALABAMA
2015-2016 Proposal**

In-State Tuition Rate	Undergraduate		Graduate	
Tuition Rate by College	Current Tuition	2.0% Increase	Current Tuition	2.0% Increase
College of Arts and Sciences College of Education School of Continuing Education	\$287	\$293	\$387	\$395
Pat Capps Covey College of Allied Health Professions Mitchell College of Business School of Computing	\$302	\$308	\$408	\$416
College of Engineering	\$306	\$312	\$412	\$420
College of Nursing*	\$302	\$328*	\$408	\$446*

Out-of-State Tuition Rate	Undergraduate		Graduate	
Tuition Rate by College	Current Tuition	2 times the in-state rate	Current Tuition	2 times the in-state rate
College of Arts and Sciences College of Education School of Continuing Education	\$574	\$586	\$774	\$790
Pat Capps Covey College of Allied Health Professions Mitchell College of Business School of Computing	\$604	\$616	\$816	\$832
College of Engineering	\$612	\$624	\$824	\$840
College of Nursing**	\$604	\$656**	\$816	\$892**

Web Course Tuition Rate	Undergraduate		Graduate	
Tuition Rate by College	Current Tuition	2.0% Increase	Current Tuition	2.0% Increase
College of Arts and Sciences College of Education School of Continuing Education	\$378	\$386	\$460	\$469
Pat Capps Covey College of Allied Health Professions Mitchell College of Business School of Computing	\$392	\$400	\$481	\$491
College of Engineering	\$397	\$405	\$485	\$495
College of Nursing*	\$392	\$420*	\$481	\$521*

*2015-2016 College of Nursing In-State/Web Tuition Rate:

Undergraduate tuition rate is an increase of 2% plus \$20 per credit hour over the 2014-2015 rate.

Graduate tuition rate is an increase of 2% plus \$30 per credit hour over the 2014-2015 rate.

**2015-2016 College of Nursing Out-of-State Tuition Rate:

Undergraduate tuition rate is an increase of 2% plus \$40 per credit hour over the 2014-2015 rate.

Graduate tuition rate is an increase of 2% plus \$60 per credit hour over the 2014-2015 rate.

2015 - 2016 Proposed Semester Room Rates

<u>Residence Hall</u>		<u>2014-2015 Current Rate</u>	<u>2015-2016 Proposed Rate</u>	<u>Difference</u>
BETA	Two Bedroom Apartment for Four	\$1,900	\$1,925	\$25
	Two Bedroom Apartment for Two	\$2,650	\$2,750	\$100
	Studio Apartment for Two	\$2,110	\$2,210	\$100
	Private Apartment	\$2,650	\$2,750	\$100
GAMMA	Suite for Two	\$2,485	\$2,600	\$115
	Two Bedroom Apartment for Two	\$2,650	\$2,750	\$100
	Studio Apartment for Two	\$2,110	\$2,210	\$100
	Private Apartment	\$2,650	\$2,750	\$100
DELTA	Two Person Room (D3-5)	\$1,900	\$1,925	\$25
	Large Private Room (D3-5)	\$2,485	\$2,485	\$0
	Private Room (D3-5)	\$2,250	\$2,400	\$150
	Two Person Room w/ kitchenette (D6)	\$2,110	\$2,210	\$100
	Private Room w/ kitchenette (D6)	\$2,485	\$2,485	\$0
EPSILON	Two Person Room	\$2,150	\$2,400	\$250
NEW HALL	Two Person Room	\$2,300	\$2,400	\$100
STOKES	Suite for Two	\$2,650	\$2,750	\$100

2015 - 2016 Proposed Semester Meal Plan Rates

<u>Meal Plan Type</u>	<u>2014-2015 Current Rate</u>	<u>2015-2016 Proposed Rate</u>	<u>Difference</u>
All Access Pass with \$175 Bonus Bucks	\$1,650	\$1,700	\$50
All Access Pass with \$300 Bonus Bucks	\$1,715	\$1,800	\$85
All Access Pass with \$450 Bonus Bucks	\$1,850	\$1,950	\$100
7 Meals Per Week with \$100 Bonus Bucks	\$840	\$840	\$0
Block 25 with \$1000 Bonus Bucks	\$1,000	\$1,000	\$0
Block 50 with \$1300 Bonus Bucks	\$1,300	\$1,300	\$0

EXHIBIT I

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

**ELEVENTH SUPPLEMENTAL UNIVERSITY FACILITIES
REVENUE TRUST INDENTURE**

between

UNIVERSITY OF SOUTH ALABAMA

and

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

Dated June 15, 2015

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

RECITALS

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

(a) Pursuant to the provisions of the Indenture, the University has issued and sold its (i) \$31,680,000 original principal amount of University Tuition Revenue Refunding and Capital Improvement Bonds, Series 1996, dated February 15, 1996, which are no longer outstanding, (ii) \$7,055,000 original principal amount University Tuition Revenue Refunding Bonds, Series 1996B, dated October 15, 1996, which are no longer outstanding, (iii) \$40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999 (the "Series 1999 Bonds"), (iv) \$51,080,000 original principal amount Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, dated March 15, 2004, which are no longer outstanding, (v) \$100,000,000 original principal amount University Tuition Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006 (the "Series 2006 Bonds"), (vi) \$112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008 (the "Series 2008 Bonds"), (vii) \$29,750,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010 (the "Series 2010 Bond"), (viii) \$25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012 (the "Series 2012-A Bond"), (ix) \$7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012 (the "Series 2012-B Bond"), (x) \$32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (the "Series 2013-A Bond"), (xi) \$8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (the "Series 2013-B Bond"), (xii) \$10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (the "Series 2013-C Bond"), and (xiii) \$41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (the "Series 2014-A Bond").

(b) In Article VIII of the Indenture, the University has reserved the right to issue Additional Bonds, secured by a pledge of the Pledged Revenues on a parity with all Additional Bonds outstanding under the Indenture, including the Series 1999 Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2010

Bond, the Series 2012-A Bond, the Series 2012-B Bond, the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, and the Series 2014-A Bond (collectively, the "Outstanding Bonds"), and with such Additional Bonds as shall hereafter be issued upon compliance with the applicable provisions of said Article VIII.

(c) The University has determined it is necessary, wise and in the best interest of the University to design, construct, acquire, install, and furnish various capital improvements for the University, including the costs of a modular radiation oncology building, equipment, and furnishings; land, building, equipment and furnishings for a clinical office location in Baldwin County, Alabama; and of capital improvements to the USA Mitchell Cancer Institute, all within the health care enterprise of the University (the "2015 Improvements").

(d) The University has determined to obtain funds from Regions Capital Advantage, Inc. (the "Purchaser") in the amount of \$6,000,000 to pay the costs of the 2015 Improvements, and as evidence of such loan to issue an Additional Bond in the principal amount of \$6,000,000 to the Purchaser.

(e) This Eleventh Supplemental University Facilities Revenue Trust Indenture is being executed to provide for the issuance of the Series 2015 Bond as an Additional Bond under the Indenture.

Additional Definitions

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

"Determination of Taxability" shall mean a determination that interest on the Series 2015 Bond is includable for federal income tax purposes in the gross income (as defined in Section 61 of the Internal Revenue Code of 1986, as amended, or any successor provision thereto) of the registered owner or any former registered owner of the Series 2015 Bond upon the first to occur of the following, but if and only if such occurrence is the result of an action or failure to act on the part of the University:

(a) the date on which the University is advised in writing by the Commissioner or any District Director of the Internal Revenue Service that, based upon any filings of the University, or upon any review or audit of the University, the interest on the Series 2015 Bond is includable in the gross income of each registered owner or former registered owner thereof;

(b) the date on which the University receives notice from the registered owner or any former registered owner of the Series 2015 Bond in writing that the registered owner or former registered owner of the Series 2015 Bond has received from the Internal Revenue Service a statutory notice of deficiency or similar notice which asserts in effect that the interest on Series 2015 Bond is includable in the gross income of the registered owner or former registered owner of the Series 2015 Bond;

(c) the date on which the University is advised in writing by the Commissioner or any District Director of the Internal Revenue Service or otherwise

receives notice that there has been issued a public or private ruling of the Internal Revenue Service or a technical advice memorandum issued by the national office of the Internal Revenue Service that the interest on the Series 2015 Bond is includable for federal income tax purposes in the gross income of the registered owner or former registered owner of the Series 2015 Bond; or

(d) the date on which the University is advised in writing that a final determination, from which no further right of appeal exists, has been made by a court of competent jurisdiction in the United States of America that the interest on the Series 2015 Bond is includable in the gross income of the registered owner or former registered owner of the Series 2015 Bond;

provided, however, (i) interest on the Series 2015 Bond shall not be deemed includable for federal income tax purposes in the gross income of a registered owner or former registered owner of the Series 2015 Bond because interest is includable in the calculation of income for purposes of an alternative minimum tax or any other type of taxation other than regular federal tax imposed on income, and (ii) no Determination of Taxability shall occur under subparagraph (a), (b) or (c) of this definition unless the University has been afforded the opportunity, at the expense of the University, to contest any such conclusion and/or assessment. The University shall be deemed to have been afforded the opportunity to contest if it shall have been permitted to commence and maintain any action in the name of the registered owner or any former registered owner of the Series 2015 Bond to judgment and through any appeals therefrom or other proceedings related thereto.

"Interest Payment Date" means each February 1 and August 1, commencing August 1, 2015.

"Purchaser" means Regions Capital Advantage, Inc., the purchaser of the Series 2015 Bond.

"Series 2015 Bond" means the \$6,000,000 University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015, and authorized to be issued to the Purchaser hereunder.

"2015 Improvements" shall have the meaning given to such term in paragraph (c) of the recitals hereof.

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

WITNESSETH:

It is hereby agreed among the University, the Trustee and its successors in trust under the Indenture and the holder at any time of the Series 2015 Bond hereinafter referred to and the Outstanding Bonds each with each of the others, as follows:

**ARTICLE I
SERIES 2015 BOND**

Section 1.1 Description of the Series 2015 Bond. (a) Authorization and General Description. There is hereby authorized to be issued and delivered by the University under the Indenture one University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015, in the principal amount of \$6,000,000. Principal installments of the Series 2015 Bond shall mature and become payable on August 1 in the years and amounts shown below, and interest shall be payable on August 1, 2015, and on each Interest Payment Date thereafter, at the per annum rate equal to 2.47% (or, following a Determination of Taxability, at the per annum rate equal to 3.89%), computed on the basis of the actual number of days between each Interest Payment Date (and, with respect to the interest payment due August 1, 2015, the actual number of days from June 15, 2015, to August 1, 2015), on a 360 day year, all as set forth in the following amortization schedule; provided, following a Determination of Taxability, the amount owed as interest on each Interest Payment Date shall be computed as set forth above:

Date	Principal	Interest	Total
08/01/2015	\$375,000.00	\$19,348.33	\$394,348.33
02/01/2016	--	71,012.50	71,012.50
08/01/2016	375,000.00	70,240.63	445,240.63
02/01/2017	--	66,278.33	66,278.33
08/01/2017	375,000.00	65,197.71	440,197.71
02/01/2018	--	61,544.17	61,544.17
08/01/2018	375,000.00	60,540.73	435,540.73
02/01/2019	--	56,810.00	56,810.00
08/01/2019	375,000.00	55,883.75	430,883.75
02/01/2020	--	52,075.83	52,075.83
08/01/2020	375,000.00	51,509.79	426,509.79
02/01/2021	--	47,341.67	47,341.67
08/01/2021	375,000.00	46,569.79	421,569.79
02/01/2022	--	42,607.50	42,607.50
08/01/2022	375,000.00	41,912.81	416,912.81
02/01/2023	--	37,873.33	37,873.33
08/01/2023	375,000.00	37,255.83	412,255.83
02/01/2024	--	33,139.17	33,139.17
08/01/2024	375,000.00	32,778.96	407,778.96
02/01/2025	--	28,405.00	28,405.00
08/01/2025	375,000.00	27,941.88	402,941.88
02/01/2026	--	23,670.83	23,670.83
08/01/2026	375,000.00	23,284.90	398,284.90
02/01/2027	--	18,936.67	18,936.67
08/01/2027	375,000.00	18,627.92	393,627.92
02/01/2028	--	14,202.50	14,202.50
08/01/2028	375,000.00	14,048.13	389,048.13
02/01/2029	--	9,468.33	9,468.33
08/01/2029	375,000.00	9,313.96	384,313.96
02/01/2030	--	4,734.17	4,734.17
08/01/2030	375,000.00	4,656.98	379,656.98

In the event of a discrepancy between the computation of interest on the Series 2015 Bond as described above and the amortization schedule set forth above, the payments due under the amortization schedule shall control unless a Determination of Taxability shall have occurred.

(b) **Interest Payment Dates.** In the event an Interest Payment Date is not a Business Day, the principal or interest due on such date shall be payable on the then next succeeding Business Day.

Section 1.2 Optional Redemption. The University shall have the right to redeem and retire the Series 2015 Bond, in whole or in part, without penalty or premium on June 1, 2020, and on any date thereafter, upon not less than 10 days' prior written notice to the registered holder of the Series 2015 Bond (with a copy to the Trustee), at and for a price equal to 100% of the principal of the Series 2015 Bond to be redeemed plus accrued interest to the date set for redemption. All partial redemptions of principal shall be applied in the inverse order of maturity.

Section 1.3 Method of Payment. Principal installments of the Series 2015 Bond shall be payable when due at the designated corporate trust office of the Trustee in the City of Birmingham, Alabama. Principal and interest on the Series 2015 Bond shall be payable by wire transfer or by check or draft mailed or otherwise delivered by the Trustee to the Purchaser at its address as it appears on the registry books of the Trustee pertaining to the registration of the Series 2015 Bond; provided, that the final payment of such principal and interest that is due on August 1, 2030, shall be made upon surrender of the Series 2015 Bond to the Trustee. All installments of principal of and interest on the Series 2015 Bond shall bear interest after the respective maturities of such principal and interest until paid or until moneys sufficient for payment thereof shall have been deposited for that purpose with the Trustee, whichever first occurs, at the rate of interest borne by the Series 2015 Bond.

Section 1.4 Form of Series 2015 Bond. The Series 2015 Bond and the Trustee's Authentication Certificate shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

THIS SERIES 2015 BOND MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" OR "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER THAT DELIVERS TO THE UNIVERSITY A LETTER CERTIFYING THE SAME, AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE INDENTURE REFERRED TO HEREIN.

UNITED STATES OF AMERICA

STATE OF ALABAMA

**UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Capital Improvement Bond**

Series 2015

For value received, the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate under the laws of the State of Alabama (herein called the "University"), will pay, solely from the sources hereinafter referred to, to **REGIONS CAPITAL ADVANTAGE INC.**, a Tennessee corporation (the "Purchaser"), the principal sum of **SIX MILLION DOLLARS (\$6,000,000)**, in annual installments at the times, in the amounts and as set forth below.

The principal hereof shall mature and become payable in annual installments on August 1 in the years and amounts shown below, and interest shall be payable on August 1, 2015, and on each February 1 and August 1 thereafter (each, an "Interest Payment Date") (provided, however, that the final payment of the principal hereof and interest hereon due on August 1, 2030, shall be made only upon the surrender of this bond at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., in the City of Birmingham, Alabama, or its successor as trustee under the Indenture), at the per annum rate equal to 2.47% (or, following a Determination of Taxability, at the per annum rate equal to 3.89%), computed on the basis of the actual number of days between each Interest Payment Date (and, with respect to the interest payment due August 1, 2015, the actual number of days from June 15, 2015, to August 1, 2015), on a 360 day year, all as set forth in the following amortization schedule, provided, following a Determination of Taxability, amounts owed as interest on each Interest Payment Date shall be computed as set forth above:

Date	Principal	Interest	Total
08/01/2015	\$375,000.00	\$19,348.33	\$394,348.33
02/01/2016	--	71,012.50	71,012.50
08/01/2016	375,000.00	70,240.63	445,240.63
02/01/2017	--	66,278.33	66,278.33
08/01/2017	375,000.00	65,197.71	440,197.71
02/01/2018	--	61,544.17	61,544.17
08/01/2018	375,000.00	60,540.73	435,540.73
02/01/2019	--	56,810.00	56,810.00
08/01/2019	375,000.00	55,883.75	430,883.75
02/01/2020	--	52,075.83	52,075.83
08/01/2020	375,000.00	51,509.79	426,509.79
02/01/2021	--	47,341.67	47,341.67
08/01/2021	375,000.00	46,569.79	421,569.79
02/01/2022	--	42,607.50	42,607.50
08/01/2022	375,000.00	41,912.81	416,912.81
02/01/2023	--	37,873.33	37,873.33
08/01/2023	375,000.00	37,255.83	412,255.83
02/01/2024	--	33,139.17	33,139.17
08/01/2024	375,000.00	32,778.96	407,778.96
02/01/2025	--	28,405.00	28,405.00
08/01/2025	375,000.00	27,941.88	402,941.88
02/01/2026	--	23,670.83	23,670.83
08/01/2026	375,000.00	23,284.90	398,284.90
02/01/2027	--	18,936.67	18,936.67
08/01/2027	375,000.00	18,627.92	393,627.92

02/01/2028	--	14,202.50	14,202.50
08/01/2028	375,000.00	14,048.13	389,048.13
02/01/2029	--	9,468.33	9,468.33
08/01/2029	375,000.00	9,313.96	384,313.96
02/01/2030	--	4,734.17	4,734.17
08/01/2030	375,000.00	4,656.98	379,656.98

In the event of a discrepancy between the computation of interest as described above and this amortization schedule, the payments due under this amortization schedule shall control unless a Determination of Taxability has occurred. As used herein, "Determination of Taxability" shall mean a determination that interest on this bond is includable for federal income tax purposes in the gross income (as defined in Section 61 of the Internal Revenue Code of 1986, as amended, or any successor provision thereto) of the registered owner or any former registered owner hereof upon the first to occur of the following, but if and only if such occurrence is the result of an action or failure to act on the part of the University:

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

(b) the date on which the University receives notice from the registered owner or any former registered owner of this bond in writing that the registered owner or former registered owner of this bond has received from the Internal Revenue Service a statutory notice of deficiency or similar notice which asserts in effect that the interest on this bond is includable in the gross income of the registered owner or former registered owner of this bond;

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

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

provided, however, (i) interest on this bond shall not be deemed includable for federal income tax purposes in the gross income of a registered owner or former registered owner hereof because interest is includable in the calculation of income for purposes of an alternative minimum tax or any other type of taxation other than regular federal tax imposed on income, and (ii) no Determination of Taxability shall occur under subparagraph (a), (b) or (c) of this definition unless the University has been afforded the opportunity, at the expense of the University, to contest any such conclusion and/or assessment. The University shall be deemed to

have been afforded the opportunity to contest if it shall have been permitted to commence and maintain any action in the name of the registered owner or any former registered owner of this bond to judgment and through any appeals therefrom or other proceedings related thereto.

In the event of a Determination of Taxability at any time (including without limitation at any time following full payment of this bond) the University shall pay, upon demand, to each registered owner or former registered owner of this bond as to which the Determination of Taxability is applicable, the amount of any additions to federal income tax and any penalties which shall have been paid or are payable by such registered owners as a result of the failure to include interest on this bond in the gross income thereof for federal income tax purposes, which obligation of the University shall survive payment in full of this bond.

Principal and interest on this bond are payable by check or draft mailed by the Trustee to the Purchaser on the applicable Interest Payment Date and at the address of the Purchaser shown on the registry books of the Trustee pertaining to this bond as of the close of business on the July 15 or January 15, as the case may be, next preceding the date of payment of such principal or interest; provided, if an Interest Payment Date is not a Business Day (as defined in the Indenture), the interest or principal due on such date shall be payable on the next succeeding Business Day.

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

This bond is herein entitled "University Facilities Revenue Capital Improvement Bond, Series 2015" and has been issued under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended and as further supplemented and amended by an Eleventh Supplemental University Facilities Revenue Trust Indenture dated June 15, 2015 (the said Trust Indenture, as so supplemented and amended, being herein called the "Indenture"), between the University and The Bank of New York Mellon Trust Company, N.A. (herein called the "Trustee"). The principal of and the interest on this bond are payable solely out of and are secured by a lien upon and pledge of (a) certain fees from students levied by the University, (b) the gross revenues derived from certain auxiliary enterprises services furnished by the University, including, food services, housing, college stores, dining, concessions and other similar services, as such revenues are shown as a separate item on the audited financial statements of the University, and (c) an amount not exceeding \$10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children's and Women's Hospital (herein called the "Pledged Revenues"), and shall not be payable from any other funds or revenues, on a parity of lien with (I) the University's (a) \$40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999, (b) \$100,000,000

original principal amount University Tuition Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006, (c) \$112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008, (d) \$29,750,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010, (e) \$25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012, (f) \$7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012, (g) \$32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013, (h) \$8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013, (i) \$10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013, and (j) \$41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014; and (II) any Additional Bonds hereafter issued pursuant to Article VIII of the Indenture.

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

The principal of this bond shall be subject to redemption and payment by the University, at the option of the University, as a whole or in part without penalty or premium, on June 1, 2020, and on any date thereafter, upon not less than 10 days' prior written notice to the

registered holder of this bond (with a copy to the Trustee), at and for a redemption price equal to 100% of the principal hereof to be redeemed plus accrued interest to the date fixed for redemption. All partial redemptions of principal shall be applied in the inverse order of maturity.

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

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

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

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

IN WITNESS WHEREOF, the University has caused this bond to be executed in its name and behalf with the signature of its President, has caused a facsimile of its corporate seal to be hereunto imprinted, has caused this bond to be attested by the signature of the Secretary of its Board of Trustees, and has caused this bond to be dated June 15, 2015.

UNIVERSITY OF SOUTH ALABAMA

By: _____
President
University of South Alabama

[S E A L]

Attest:

Secretary of the
Board of Trustees

Form of Trustee's Authentication Certificate

Date of Authentication and Registration:

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

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

By: _____
Its Authorized Officer

Section 1.5 Execution and Delivery of the Series 2015 Bond. The Series 2015 Bond shall be forthwith executed and delivered to the Trustee and shall be authenticated and delivered by the Trustee from time to time upon receipt by the Trustee of an order signed on behalf of the University by its President, requesting such authentication and delivery and designating the person or persons to receive the same or any part thereof.

Section 1.6 Application of Proceeds from the Sale of the Series 2015 Bond. The entire proceeds from the sale of the Series 2015 Bond shall be deposited into a special account established by the University and used to pay the costs of the 2015 Improvements.

ARTICLE II CONCERNING THE CODE

Section 2.1 Concerning the Code. (a) General. The University recognizes that the Code imposes certain conditions to the exemption from federal income taxation of interest income on the Series 2015 Bond. Accordingly, the University agrees that it will continually comply with all requirements imposed by the Code as a condition to the exemption from federal income taxation of the interest income on the Series 2015 Bond. With respect to any question arising under this Section 2.1, the University may rely upon an opinion of nationally recognized bond counsel acceptable to it.

(b) **Series 2015 Bond not to be "Private Activity Bonds".** The University will not apply the proceeds of the Series 2015 Bond in any manner that would cause the Series 2015 Bond to be a "private activity bond" within the meaning of Section 141(a) of the Code.

(c) **Concerning the Arbitrage Provisions of the Code.** The University agrees that it will comply with all provisions of the Code necessary to preclude the Series 2015 Bond from being considered an "arbitrage bond" within the meaning of Section 148 of the Code.

(d) **Provisions Respecting Registration of Series 2015 Bond to Comply with Provisions of Code.** The University and the Trustee recognize that the provisions of the Code require that the Series 2015 Bond be in "registered form" and that, in general, the Series 2015 Bond must be registered as to both principal and interest and any transfer of the Series 2015 Bond must be effected only by the surrender of the old bond and either by the reissuance of the old bond to a new Holder or the issuance of a new bond to a new Holder. The Trustee may conclusively rely upon an opinion of nationally recognized bond counsel with respect to any question which may arise pertaining to the transfer, exchange or reissuance of the Series 2015 Bond.

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

Section 3.1 Confirmation of Indenture. All the terms, covenants and conditions of the Indenture, as supplemented hereby, are hereby in all respects ratified and confirmed, and the Indenture as so supplemented shall continue in full force and effect. In addition, each of the Trustee and the University confirms that the Trustee shall have no duties, express or implied, respecting the proceeds of the Series 2015 Bond during any time when the Trustee is not the depository of such amounts or respecting any other construction funds established under the Indenture for which the Trustee is not the depository.

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

Section 3.3 Construction of Eleventh Supplemental University Facilities Revenue Trust Indenture. No provisions of this Eleventh Supplemental University Facilities Revenue Trust Indenture shall be construed to limit or restrict, either expressly or impliedly, the obligations of the University contained in the Indenture or the powers of the Trustee thereunder, nor shall the provisions of this Eleventh Supplemental University Facilities Revenue Trust Indenture be construed in any manner inconsistent with the provisions of the Indenture or in any manner that would adversely affect the interest of the Purchaser as holder of the Series 2015 Bond.

Section 3.4 Special Covenants in Favor of Purchaser. (a) So long as the Series 2015 Bond remains outstanding, the University shall provide the Purchaser the following:

(i) Audited financial statements of the University within 150 days following the close of each fiscal year of the University, commencing with the fiscal year ending September 30, 2015;

(ii) quarterly financial statements of the University within 90 days following the close of each fiscal quarter of the University, commencing with the fiscal quarter ending September 30, 2015; and

(iii) the annual budget for the University by October 31 of each year, commencing October 31, 2015.

Section 3.5 Authorized Denominations. The Series 2015 Bond may have principal installments maturing in denominations of any amount.

Section 3.6 Severability. In the event that any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, the University has caused this Eleventh Supplemental University Facilities Revenue Trust Indenture to be executed in its name and behalf by the President of the University, has caused its corporate seal to be hereunto affixed, and has caused this Eleventh Supplemental University Facilities Revenue Trust Indenture to be attested by the Secretary of its Board of Trustees, and the Trustee has caused this Eleventh Supplemental University Facilities Revenue Trust Indenture to be executed in its name and behalf, has caused its corporate seal to be hereunto affixed and has caused this Eleventh Supplemental University Facilities Revenue Trust Indenture to be attested, all by its duly authorized officers, and the University and the Trustee have caused this Eleventh Supplemental University Facilities Revenue Trust Indenture to be so executed in several counterparts, each of which shall be deemed an original, and have caused this Eleventh Supplemental University Facilities Revenue Trust Indenture to be dated June 15, 2015.

UNIVERSITY OF SOUTH ALABAMA

By: _____
President

[S E A L]

Attest:

Secretary of the Board of Trustees

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

By: _____

Its: _____

[S E A L]

Attest:

Its: _____

STATE OF ALABAMA)
 :
COUNTY OF MOBILE)

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

GIVEN under my hand and official seal of office, this 15th day of June, 2015.

Notary Public

[NOTARIAL SEAL]

STATE OF ALABAMA)
 :
COUNTY OF MOBILE)

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

GIVEN under my hand and official seal of office, this 15th day of June, 2015.

Notary Public

[NOTARIAL SEAL]

COMMITTEE MINUTES

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

HEALTH AFFAIRS COMMITTEE

**June 4, 2015
1:30 p.m.**

A meeting of the University of South Alabama Board of Trustees Health Affairs Committee was duly convened by Dr. Scott Charlton on behalf of Dr. Steve Stokes, Chair, on Thursday, June 4, 2015, at 1:30 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

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

Member Absent: Steve Stokes.

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

Administration and Others: Joe Busta, Lynne Chronister, Monica Curtis, Kristin Dukes, Joel Erdmann, Julie Estis (Faculty Senate), Stan Hammack, Mike Haskins, David Johnson, Ed Panacek, Ravi Rajendra (SGA), John Smith, Sam Strada, Tony Waldrop and Kevin West (Faculty Senate).

Press: Cassie Fambro (al.com) and Alyssa Newton (*Vanguard*).

The meeting came to order and the attendance roll was called. Dr. Charlton called for consideration of **ITEM 4**, a resolution authorizing the USA Hospitals medical staff appointments and reappointments for February, March and April 2015 (for copies of resolutions, policies and other authorized documents, refer to the June 5, 2015 Board of Trustees meeting minutes). On motion by Ms. Brown Stewart, seconded by Ms. Maye, the Committee voted unanimously to recommend approval by the Board of Trustees.

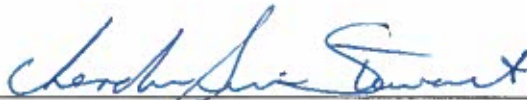
Dr. Charlton called for a report on the activities of the USA Health System and the Division of Health Sciences, **ITEM 5**. With regard to preparations for the Gulf Coast Regional Care Organization (GRCO), Mr. Hammack discussed the evolving administrative responsibilities of Mr. Owen Bailey, Ms. Beth Anderson, Ms. Becky Tate, Mr. Harvey Ikner and Ms. Traci Jones, and gave insight on factors related to funding.

Dr. Strada announced the appointment of Dr. Ed Panacek as Chair of the Department of Emergency Medicine and Dr. Angus McBryde as Interim Chair of the Department of Orthopaedic Surgery. He shared a brief history on each department, discussed career highlights for both physicians, as detailed in the fact sheets distributed, and introduced Dr. Panacek for remarks. Dr. Panacek, a USA alumnus, expressed enthusiasm for the Institution's transformation over the years and for meeting the new opportunities and challenges in his new role as Chair.


Dr. Charlton called for consideration of the minutes of the meeting held on March 5, 2015. On motion by Ms. Maye, seconded by Dr. Charlton, the minutes were approved unanimously.

There being no further business, the meeting was adjourned at 1:44 p.m.

Respectfully submitted:


Chandra Brown Stewart

On behalf of:


Steven H. Stokes, M.D., Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

ACADEMIC AND STUDENT AFFAIRS COMMITTEE

**June 4, 2015
1:44 p.m.**

A meeting of the University of South Alabama Board of Trustees Academic and Student Affairs Committee was duly convened by Ms. Bettye Maye, Chair, on Thursday, June 4, 2015, at 1:44 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 and Jim Yance.

Administration and Others: Joe Busta, Nicole Carr, Lynne Chronister, Monica Curtis, Kristin Dukes, Joel Erdmann, Julie Estis (Faculty Senate), Stan Hammack, Krista Harrell, Mike Haskins, Ken Hunsader, David Johnson, Kyre Lahtinen, Catherine Preston, Ravi Rajendra (SGA), John Smith, Tony Waldrop and Kevin West (Faculty Senate).

Press: Cassie Fambro (al.com) and Alyssa Newton (*Vanguard*).

The meeting came to order and the attendance roll was called. Ms. Maye called for consideration of the minutes of the meeting held on March 5, 2015. On motion by Mr. Windom, seconded by Capt. Jenkins, the minutes were approved unanimously.

Ms. Maye called on Provost Johnson for presentation of **ITEM 6**, a resolution to approve the granting of tenure and/or promotion to faculty as set forth (for copies of resolutions, policies and other authorized documents, refer to the June 5, 2015, Board of Trustees meeting minutes). Provost Johnson said the names of the individuals recommended were listed in the materials provided to Trustees. On motion by Mr. Windom, seconded by Capt. Jenkins, the Committee voted unanimously to recommend approval by the Board of Trustees. Judge Simon inquired about the evaluation process. Provost Johnson discussed the various criteria that faculty must meet and the channels through which individuals' qualifications are reviewed. He stated a committee has been charged with examining the process for tenure and promotion and a report is expected within the year.

Provost Johnson discussed **ITEM 7**, a resolution to adopt an amended Resident and Non-Resident Tuition Policy. He noted that language specific to in-state tuition for veterans and their spouses and dependents had not been updated at the time procedural changes were effected to insure compliance with federal regulations. He said the proposed revisions would correct the disparity. The Committee voted unanimously to recommend approval by the Board of Trustees.

Provost Johnson presented **ITEM 8**, a resolution to authorize creation of the *Jaguar Investment Fund* (JIF), a student-managed investment fund administered through the Mitchell College of Business; adoption of the corresponding Investment Policy Statement, as set forth in the JIF proposal; and compliance with the University's Endowment Spending Policy. Further, the resolution conveys the Board's appreciation for the contributions of the late Eleanor and Clarence Frenkel, and of Arlene Mitchell, the late Mayer Mitchell, and Abe Mitchell, which have made the JIF possible. Provost Johnson introduced Department of Economics and Finance Chair Dr. Ken Hunsader and Assistant Professor and JIF faculty advisor Dr. Kyre Lahtinen. As the Trustees viewed a graphic outline, Drs. Hunsader and Lahtinen discussed management of the JIF. Through a two-course program, students will work as a team to make and report trades; track performance against the S & P 500; and make presentations on investment results. With emphasis on long-term growth, gains will support educational services, such as scholarships or the purchase of data and research reports for analysis. Optimism was shared that an index could be developed for comparing JIF performance with that of other student-led funds. Amid an exchange of questions and comments, Mr. Albano pledged to report JIF performance on a regular basis. On motion by Dr. Charlton, seconded by Ms. Mitchell, the Committee voted unanimously to recommend approval by the Board of Trustees.

Provost Johnson addressed **ITEM 9**, a resolution authorizing the rates of tuition, housing and the meal plan for the 2015-2016 academic year. He asserted the recommendation for a two-percent tuition increase as modest compared to the increases projected at Alabama peer institutions, and directed attention to materials showing the current and proposed rates, including total annual cost comparisons demonstrating USA students will continue to pay significantly less than students attending Auburn University, The University of Alabama, The University of Alabama at Birmingham (UAB) and Troy University. He added that, despite the adjustment, USA's competitive edge would not be jeopardized. He explained that the higher costs associated with a nursing education necessitate different tuition rates for USA's College of Nursing, which will still be less than those charged by other nursing programs. Dr. Smith specified a recommended four percent increase in housing rates and a two percent increase in meal plan rates. He said these services are self-supporting and program improvements are paid for with monies collected. Judge Simon conveyed satisfaction for the Administration's ability to limit the tuition increase to two percent.

President Waldrop advised that a one and one-half percent increase in state appropriation is expected and he echoed the point that the rates as proposed would not impede the University's appeal to prospective students. Dr. Smith credited the faculty leadership for efforts that have led to the University's growth. On motion by Mr. Windom, seconded by Capt. Jenkins, the Committee voted unanimously to recommend approval by the Board of Trustees.

Concerning **ITEM 10**, a report on the business of the Division of Academic Affairs, Provost Johnson discussed a plan to revise academic standards for admission, and explained how measures, such as raising the required high school GPA from 2.0 to 2.5, to become effective with the 2015 fall semester, and gradually phasing out conditional admission over a three-year period, would, over time, result in improved retention and six-year graduation rates, and in higher ACT composite scores. He stated the University will partner with community colleges to begin offering referral

assistance to prospective students who do not meet minimum requirements for admission. Expectations are that students who demonstrate remediation will transfer to USA. Provost Johnson maintained the strategy, founded on strong data, will enable the Institution to build stature and reach the ranks of aspirational peers, such as UAB and Georgia State University. Mr. Peek expressed concern that the proposal may have a negative impact on enrollment, and he suggested that the administration proceed with caution. Provost Johnson conveyed confidence in the plan, reiterating that long-term benefits will outweigh any immediate adverse effects. He added positive factors in other areas, such as graduate enrollment growth, will offset deficits. In the interest of students who are not committed to improving academic performance, President Waldrop recognized the detrimental effect unnecessary student debt would have on earnings potential. Figures for the upcoming fall semester show 300 students who meet parameters for conditional enrollment.

Provost Johnson introduced Dr. Nicole Carr, Executive Director of the Office of Student Academic Success and Retention, for an update on the *JagSuccess* program. Correlating positive shifts in academic performance with effective retention strategies, Dr. Carr discussed priorities for insuring student success, and the launch of *Jag Success*, a comprehensive network of support services that promotes student engagement, tracks academic performance and provides intervention assistance as necessary. *JagSuccess* resources will be located in the Academic Support Center. Dr. Carr announced the recent appointments of Mr. Ira Johnson as *JagSuccess* Assistant Director and Ms. Catherine Preston as Director of USA's First Year Advising Center. Ms. Preston shared enthusiasm for her new role, and addressed goals and staff development.

Concerning ITEM 11, a report on the activities of the Division of Student Affairs, on behalf of Dr. Mitchell, Dr. Smith introduced Dr. Krista Harrell, Associate Dean of Students and *Title IX* Coordinator, who gave an overview on institutional responsibilities pertaining to federal *Title IX* regulations on sexual harassment and assault on campuses. The Committee viewed a graphic presentation as Dr. Harrell detailed efforts and resources demonstrating the University's commitment to provide awareness and prevention programs that train coordinators, investigators and staff; educate students; and counsel victims.

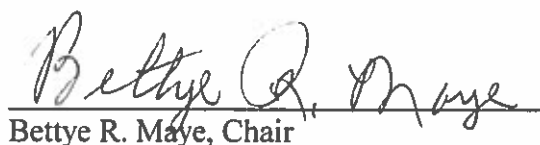
There being no further business, the meeting was adjourned at 2:43 p.m.

Respectfully submitted:



Michael P. Windom

On behalf of:



Bettye R. Maye, Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

LONG-RANGE PLANNING COMMITTEE

June 4, 2015

2:43 p.m.

A meeting of the University of South Alabama Board of Trustees Long-Range Planning Committee was duly convened by Mr. Jimmy Shumock, Chair, on Thursday, June 4, 2015, at 2:43 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 and Jim Yance.

Administration and Others: Joe Busta, Lynne Chronister, Monica Curtis, Kristin Dukes, Joel Erdmann, Julie Estis (Faculty Senate), Stan Hammack, Mike Haskins, David Johnson, Ravi Rajendra (SGA), John Smith, Tony Waldrop and Kevin West (Faculty Senate).

Press: Cassie Fambro (al.com) and Alyssa Newton (*Vanguard*).

The meeting came to order and the attendance roll was called. Mr. Shumock called for consideration of the minutes of the meeting held on March 5, 2015. On motion by Mr. Windom, seconded by Mr. Peek, the minutes were adopted unanimously.

Mr. Shumock called upon Provost Johnson for discussion of **ITEM 12**, a report on USA's Strategic Plan (Plan). Provost Johnson updated the Committee on progress in advancing the five institutional priorities announced by President Waldrop in 2014. He said working groups have been diligent in their efforts to incorporate the priorities and make improvements to the Plan, noting the emergence of new objectives and the discarding of others. He stated drafts were submitted to the senior leadership for feedback and added the University Committee on Planning, Assessment and Finance and the greater University community will have the opportunity to review and make recommendations. The final draft will be delivered to the Long-Range Planning Committee and the Board of Trustees for consideration. He reminded the group of intentions to cancel the 2014-2017 Plan effective December 31, 2015, and to immediately execute the replacement Plan, which will cover the period January 2016 to December 2020. He shared that one recommendation, received through the evaluation process, was for the Plan to be flexible with regard to shifting the compass and redirecting resources as needed. Mr. Peek asked about community involvement. Provost Johnson said feedback from the public is welcome and will be solicited.

There being no further business, the meeting was adjourned at 2:57 p.m.

Respectfully submitted:



James H. Shumock, Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

BUDGET AND FINANCE COMMITTEE

**June 4, 2015
2:57 p.m.**

A meeting of the University of South Alabama Board of Trustees Budget and Finance Committee was duly convened by Mr. Tom Corcoran, Chair, on Thursday, June 4, 2015, at 2:57 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

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

Members Absent: Sandy Stimpson and Steve Stokes.

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: Harry Brislin, Joe Busta, Louis Cardinal (Thornton Farish), Kristin Dukes, Lynne Chronister, Monica Curtis, Joel Erdmann, Julie Estis (Faculty Senate), Stan Hammack, Mike Haskins, David Johnson, Rod Kanter (Hand Arendall), Ravi Rajendra (SGA), John Smith, Tony Waldrop and Kevin West (Faculty Senate).

Press: Cassie Fambro (al.com) and Alyssa Newton (*Vanguard*).

The meeting came to order and the attendance roll was called. Mr. Corcoran called for consideration of the minutes of the meeting held on March 5, 2015. On motion by Mr. Yance, seconded by Mr. Shumock, the minutes were approved unanimously.

Mr. Corcoran addressed **ITEM 13**, the quarterly financial statements for the six months ended March 31, 2015. He reported an increase in revenues and called for questions.

Concerning **ITEM 14**, a report on the activities of the Division of Research and Economic Development, Mr. Corcoran called for remarks by Ms. Chronister. Ms. Chronister advised that a new office called *USA Properties* was formed to manage the USA Technology and Research Park (TRP). She recognized Mr. Harry Brislin, TRP Director and former real estate broker. Mr. Yance asked about TRP utilization and Mr. Brislin said occupancy is 89.8 percent with five spaces available to rent. It was suggested Mr. Brislin's real estate contacts may be of help to identify prospective tenants.

Mr. Corcoran called on Dr. Smith to discuss **ITEM 15**, a resolution delegating banking authority to the President, Vice President for Finance and Administration and University Treasurer; rendering all prior banking resolutions as void; and granting signature certification authority to the Board Secretary (for copies of resolutions, policies and other authorized documents, refer to the June 5, 2015, Board of Trustees meeting minutes). Dr. Smith noted the necessity of updating banking declarations from time to time. He pointed out that the resolution would grant

authority for the Board Secretary to certify the names and signatures of individuals who succeed to positions having signature authority, as with his as Interim Vice President for Finance and Administration. On motion by Mr. Yance, seconded by Ms. Mitchell, the Committee voted unanimously to recommend approval by the Board of Trustees.

Mr. Corcoran asked Dr. Smith to present **ITEM 16**, a resolution authorizing the President, Vice President for Finance and Administration, the University Treasurer or the Executive Vice President to obtain financial services from PNC Bank and execute instruments on behalf of the University as set forth, such as would make possible a purchasing card program and an extension of credit. Dr. Smith acknowledged the prevalence of such provisions in corporate environments because of ease in transacting business. He said, for assurance safeguards are covered, PNC Bank requires evidence of Board approval. On motion by Mr. Shumock, seconded by Mr. Yance, the Committee voted unanimously to recommend approval by the Board of Trustees.

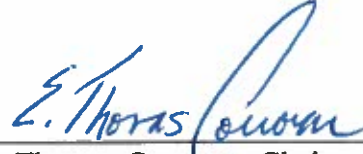
Dr. Smith introduced **ITEM 17**, a resolution to ratify an option agreement relative to the possible purchase of approximately 1.75 acres of land in Fairhope, Alabama, on which the University could construct a building suitable for use by the Mitchell Cancer Institute (MCI). Further, the resolution would authorize the Vice President for Finance and Administration to proceed with the purchase provided applicable due diligence and appraisal conditions are met. As the committee viewed an aerial photo of the land, Dr. Smith discussed the proposal for a new facility that would accommodate MCI physician offices and an infusion lab. He said terms include purchasing the parcel from the Corte family for \$15 per square foot. Chairman Furr inquired about the location. President Waldrop maintained that an expansion of services in Baldwin County would benefit residents and the Institution. On motion by Mr. Yance, seconded by Mr. Shumock, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Smith presented **ITEM 18**, a resolution authorizing the sale of \$6 million in Series 2015 University Facilities Revenue Capital Improvement Bonds to Regions Capital Advantage, Inc., with proceeds funding MCI-related construction and related furnishings and equipment as outlined, as well as miscellaneous projects on the main campus. Dr. Smith discussed that, among the bids received, Regions' proposal was most competitive, offering a fixed interest rate of 2.47 percent for a 15-year term. He called for remarks by Mr. Louis Cardinal of Thornton Farish. Mr. Cardinal discussed the bid process and results, and he detailed the advantages of negotiating the transaction with a private bank. He estimated a savings of up to \$85,000 for fees waived. He recognized the finance staff for upholding best practices that contribute to the University's financial success, as demonstrated by the A1 rating by Standard & Poor's. He shared information as to indemnity assurance. Mr. Rod Kanter of Bradley Arant detailed the legal declarations set forth in the resolution and discussed indenture and collateral provisions. He commended the internal staff for a job well done on the request for proposals. Mr. Yance restated the fortunate position of the University with regard to asset strength and exceptional

loan terms, and he moved for approval of the resolution. Mr. Shumock seconded and the Committee voted unanimously to recommend approval by the Board of Trustees.

There being no further business, the meeting was adjourned at 3:20 p.m.

Respectfully submitted:

A handwritten signature in blue ink that reads "E. Thomas Corcoran". The signature is written in a cursive style with a large, sweeping initial "E".

E. Thomas Corcoran, Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

AUDIT COMMITTEE

June 4, 2015

3:20 p.m.

A meeting of the University of South Alabama Board of Trustees Audit Committee was duly convened by Mr. John Peek, Chair, on Thursday, June 4, 2015, at 3:20 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, Mike Windom and Jim Yance.

Administration and Others: Joe Busta, Lynne Chronister, Monica Curtis, Kristin Dukes, Joel Erdmann, Julie Estis (Faculty Senate), Stan Hammack, Mike Haskins, David Johnson, Ravi Rajendra (SGA), John Smith, Tony Waldrop and Kevin West (Faculty Senate).

Press: Cassie Fambro (al.com) and Alyssa Newton (*Vanguard*).

The meeting came to order and the attendance roll was called. Mr. Peek called for the consideration of the minutes of the meeting held on March 5, 2015. On motion by Capt. Jenkins, seconded by Dr. Charlton, and the minutes were approved unanimously.

Mr. Peek said the financial audit cycle would begin close to the time of the next Audit Committee meeting in September. He advised Mr. Mark Peach of KPMG would join for a preliminary report.

There being no further business, the meeting was adjourned at 3:21 p.m.

Respectfully submitted:



John M. Peek, Chair

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

DEVELOPMENT, ENDOWMENT AND INVESTMENTS COMMITTEE

**June 4, 2015
3:21 p.m.**

A meeting of the University of South Alabama Board of Trustees Development, Endowment and Investments Committee was duly convened by Mr. Jim Yance, Chair, on Thursday, June 4, 2015, at 3:21 p.m. in the Board Room of the Frederick P. Whiddon Administration Building.

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

Member Absent: Steve Stokes.

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

Administration and Others: Terry Albano, Joe Busta, Lynne Chronister, Monica Curtis, Kristin Dukes, Joel Erdmann, Julie Estis (Faculty Senate), Stan Hammack, Mike Haskins, David Johnson, Norman Pitman, Ravi Rajendra (SGA), John Smith, Tony Waldrop and Kevin West (Faculty Senate).

Press: Cassie Fambro (al.com) and Alyssa Newton (*Vanguard*).

The meeting came to order and the attendance roll was called. Mr. Yance called for consideration of the minutes of the meeting held on March 5, 2015. On motion by Mr. Windom, seconded by Judge Simon, the minutes were approved unanimously.

Mr. Yance addressed endowment performance, **ITEM 19**, noting a 3.66 return on investments for the period October 1, 2014, to March 31, 2015, an outperformance of the relative index. He advised of \$8.5 million withdrawn due to allocation parameters, and stated the money could render useful given indicators of volatility in the bond market. He described the equity market as void of opportunity and called for a report from Mr. Albano. Mr. Albano discussed fluctuations in the value of the U.S. dollar since portfolio inception in May 2000. He said most managers had performed extremely well. Mr. Pitman explained the underperformance of Private Advisors and Charles Schwab, and shared information on fixed income markets and the volatility in the international bond market. Mr. Albano conveyed confidence in Private Advisors and Charles Schwab given their three- and five-year results. He addressed asset allocation, noting consistency with investment guidelines. He discussed annualized performance since inception.

Mr. Yance called on Dr. Busta for discussion of **ITEM 20**, a resolution authorizing the assessment of a management fee of 1.25 percent of total endowment assets annually on September 30, and retroactive to September 30, 2014, an increase from one percent (for copies of resolutions,

Development, Endowment and Investments Committee

June 4, 2015

Page 2

policies and other authorized documents, refer to the June 5, 2015, Board of Trustees meeting minutes). Further, the resolution authorizes the President to designate the expenditure of resources generated by the management fee through the University's budgeting process. Dr. Busta said management fee proceeds fund alumni and development activities and fundraising efforts. He added that a 1.25 percent management fee is a nationwide standard. Mr. Yance agreed that increasing the fee would expand fundraising efforts and yield valuable returns. He contrasted USA's development staff of fewer than 40 employees with Auburn University's 140-member development staff. On motion by Mr. Windom, seconded by Judge Simon, the Committee voted unanimously to recommend approval by the Board of Trustees.

Dr. Busta presented ITEM 21, a resolution naming *The Fanny and Bert Meisler Endowed Professorship in Jewish Studies* and conveying the board's gratitude to the Meislers for their generosity and visionary partnership in establishing the endowed fund. Dr. Busta stated an outstanding professor was recruited by the College of Arts and Sciences. He called the Meislers terrific donors who have done much for the University of South Alabama over the years. On motion by Mr. Corcoran, seconded by Capt. Jenkins, the Committee voted unanimously to recommend approval by the Board of Trustees.

Chairman Furr made brief remarks about the use of a consent agenda at the June 5 board meeting.

There being no further business, the meeting was adjourned at 3:39 p.m.

Respectfully submitted:



James A. Yance, Chair