UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

MINUTES OF MEETINGS

COMMITTEE MEETINGS HELD ON MARCH 4, 2021

BOARD OF TRUSTEES MEETING HELD ON MARCH 5, 2021

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

March 5, 2021
11:00 a.m.

A meeting of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair *pro tempore*, on Friday, March 5, 2021, at 11:00 a.m. in the Chief Calvin W. McGhee Grand Ballroom of the MacQueen Alumni Center. Public access was provided via YouTube livestream.

Members:	Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Steve Furr, Ron Graham, Lenus Perkins, Jimmy Shumock, Steve Stokes, Mike Windom and Jim Yance were present and Scott Charlton, Ron Jenkins, Arlene Mitchell and Margie Tuckson participated remotely.
Members Absent:	Kay Ivey and Ken Simon.
Administration & Guests:	Owen Bailey, Raj Chaudhury, Lynne Chronister, John Cleary (Faculty Senate), Errol Crook, Rochelle Darragh, Kristin Dukes, Joel Erdmann, Julie Estis, Monica Ezell, Paul Frazier, Cameron Grier-Shepperd (BSU), Mike Haskins, Andi Kent, Nick Lawkis, John Marymont, Abe Mitchell, Mike Mitchell, Tia Nickens (SGA), Laura Schratt, John Smith, Angelia Stokes, Margaret Sullivan, Tony Waldrop, Scott Weldon and Kaya Wilkinson (NAACP).

Following introductory remarks by Chairman Shumock, which included an acknowledgement of the life and service of the late Mr. Donald L. Langham, USA Trustee *emeritus*, the meeting came to order and the attendance roll was called, **Item 1**.

Mr. Shumock introduced Ms. Kaya Wilkinson, President of USA's student chapter of the NAACP (National Association for the Advancement of Colored People), and Mr. Cameron Grier-Shepperd, BSU (Black Student Union) President. Ms. Wilkinson and Mr. Grier-Shepperd shared frustration and disappointment on behalf of fellow students over the conduct of the former Mitchell College of Business (MCOB) dean and two MCOB professors in 2013 that had been publicized recently and the Administration's response. They urged everyone at the University to come together to work for meaningful change and prioritize diversity, inclusion, equality and unity on campus. Chairman Shumock advised that the Board had been in discussions on the matter and he acknowledged the work that needed to be done. He thanked Ms. Wilkinson and Mr. Grier-Shepperd for taking the opportunity to discuss their concerns with the Board.

Chairman Shumock called for adoption of the revised agenda, **Item 1.A**. On motion by Mr. Yance, seconded by Judge Windom, the Board voted unanimously to adopt the revised agenda. Mr. Shumock called for consideration of the minutes of the meeting held on December 3, 2020, **Item 2**. On motion by Ms. Mitchell, seconded by Ms. Atkins, the Board voted unanimously to adopt the minutes.

Chairman Shumock recognized President Waldrop for his contributions to the University and for the significant achievements accomplished at South over his term as President. He asked President Waldrop to share his President's Report, **Item 3**. President Waldrop announced that Distance Learning Specialist II with the Innovation in Learning Center (ILC) Ms. Rochelle

Darragh was selected as employee of the Quarter. He introduced Dr. Raj Chaudhury, Executive Director of the ILC/USA Online, who read an excerpt from his nomination of Ms. Darragh and presented Ms. Darragh with a certificate commemorating the award. Ms. Darragh shared remarks of appreciation for the recognition and credited her coworkers for their support. President Waldrop thanked Ms. Darragh for her contributions.

President Waldrop called on Ms. Chronister, who announced that South's central vivarium in the College of Medicine (COM), which houses animals for research under the supervision of Dr. Michele Schuler, earned an "exemplary" accreditation designation from the American Association of the Accreditation of Lab Animal Care. She added that this designation was rarely given. She said Chairman Shumock had recently visited the vivarium and was impressed with the cleanliness of the facility.

President Waldrop introduced Mr. Bailey for a report. Mr. Bailey mentioned the report given to the Health Affairs Committee on March 4 about the USA Health vaccination drive taking place at Friendship Missionary Baptist and showed the flyer that was distributed to residents in the Cody Road area encouraging them to attend the drive and be vaccinated.

Mr. Bailey introduced and shared background on Abraham A. Mitchell Professor and Chair of Internal Medicine/Center for Healthy Communities (CHC) Director Dr. Errol Crook. He noted the importance of Dr. Crook's leadership and grasp of the culture at USA Health amid a time of exponential growth, and stated diversity and inclusion advancement was at the forefront of USA Health conversations. Dr. Crook talked about the work of the CHC to improve social and health inequities and COVID-19 vaccination barriers in marginalized communities as identified through a qualitative study he and colleagues conducted during the pandemic. He discussed equity initiatives at USA Health involving pathways for employees to advance their careers and collaborations with Bishop State Community College and the Mobile and Baldwin county school systems to identify students with specific skillsets for possible employment. He shared details about an event sponsored in observance of Black History Month and Martin Luther King's birthday that featured Harvard Assistant Debate Coach and CEO of The Harvard Diversity Project Mr. Brandon Fleming as keynote speaker. Ms. Tuckson offered Dr. Crook the opportunity to network with Tuckson Health Connections to improve CHC messaging to underserved communities.

On behalf of Chairman Shumock, Ms. Atkins called on Mr. Lawkis for a governmental relations update. Mr. Lawkis noted that the delay of legislative business in 2020 due to the pandemic had caused an upsurge in legislative activity during the 2021 regular session. He said the budget estimates for 2021-2022 were positive despite the pandemic and stated the education budget at approximately $7.65 billion could possibly be one of the largest budgets in state history. He anticipated an increase in state appropriations, adding that Governor Ivey's recommendation was for an approximate six percent increase. He advised that, out of the 815 active legislative bills, he was tracking close to 260 and was actively engaged with 20 bills that were of particular interest to the University and/or USA Health.

Ms. Atkins called on Dr. Erdmann, who shared that South Alabama hosted the Alabama High School Athletic Association's North-South All-Star Football Classic and the Reese's Senior Bowl at Hancock Whitney Stadium (HWS) in December 2020 and January 2021, respectively. As gameday photos were shown, he discussed the statewide and national exposure South Alabama received through these competitions and said the feedback from visitors to HWS, including those representing the National Football League, was positive. He anticipated long-term relationships with both organizations.

Ms. Atkins called for a report from the Faculty Senate President, **Item 4**. Dr. Cleary noted that his term as Faculty Senate President would soon end. He thanked President Waldrop for the positive working relationship shared between the Faculty Senate and the Leadership and, though acknowledging the University's progress over recent years, he stated more work was needed as demonstrated recently. He reported that the Senate had been busy with COVID-19 matters and working to ensure a safe working environment for faculty, staff and students while providing an exceptional academic product. He credited the faculty for accommodating the students and adjusting to multiple modes of classroom instruction. He advised that the Senate's Diversity and Inclusion Committee was focused on creating guidelines and plans for improving diversity in terms of faculty hiring and retention and on collaborating with others outside of the Senate to implement undergraduate and graduate certificate programs related to diversity and inclusion efforts that would benefit South students and citizens in the community. He reinforced that the Senate was committed to working with all parties to advance the culture at USA.

Ms. Atkins called for a report from the Student Government Association (SGA) President, **Item 5**. Ms. Nickens advised that her term as SGA President would conclude soon. She reviewed some of the significant SGA projects completed over the year or ongoing, which included the implementation of water bottle refill stations in the freshman residence halls; a printing program for the residence halls; an athletics appreciation project; a partnership with the Office of Admissions to email prospective students; a partnership with Troy University for student awareness of Battle of the Belt activities; and a Give Back to Campus project. She stated the SGA would continue to work diligently for progress despite pandemic and race-related setbacks. She urged President Waldrop, the Administration and the Board to take student concerns seriously and said the SGA would formally respond to the racial insensitivities on campus in a proactive manner that would serve the good of all students once all voices were heard. She thanked everyone for their efforts in promoting diversity, equity and inclusion and said it had been a pleasure to serve as SGA President. Mr. Windom thanked Ms. Nickens for giving the Trustees the opportunity to speak at SGA meetings. At Ms. Brown Stewart's request, Ms. Nickens gave an update on diversity and inclusion training developed for students. She noted that approximately 2,000 students had enrolled; Dr. Frazier and diversity and inclusion officers from the various campus units were involved; and an incentive plan was added to encourage student participation.

Ms. Atkins called for a report from the Audit Committee, **Item 7**. Mr. Graham, Committee Chair, stated, at a meeting on March 4, Ms. Schratt reported that new staff had been hired in the Office of Internal Audit and Mr. Weldon reported on the reengagement of KPMG to provide auditing services for the fiscal years 2021 through 2023 and presented the KPMG report on intercollegiate athletics for the 2020 fiscal year, which did not include exceptions or findings.

Chairman Shumock presented certificates of appreciation thanking Dr. Cleary, Ms. Nickens and Mr. Grier-Shepperd for their service as president of the Faculty Senate, SGA and BSU, respectively, **Item 6**. He noted that the 2020-2021 academic year presented unique challenges that required strong leadership.

Chairman Shumock called for a report from the Development, Endowment and Investments Committee, **Item 8**. Mr. Yance, Committee Chair, stated Mr. Albano discussed endowment results for the first quarter of fiscal year 2021 at a meeting on March 4, 2021, reporting an investment return of 9.72 percent that outperformed the relative index by 57 basis points; an annualized return since inception of 5.85 percent that outperformed the index by 1.08 percent; and investment earnings totaling approximately $116.5 million. He said Mr. Matt Kinnear of Gerber/Taylor updated the Committee on the University's investments, and Ms. Sullivan reported that more than $8.2 million had been raised thus far in fiscal year 2021; construction of a new emergency center at USA Children's & Women's Hospital (CWH) would move forward thanks to a transformational gift made by a passionate and dedicated South Alabama friend; $285,525 had been secured for pandemic-related needs; and $181,180 had been raised for the Leadership in Social Justice and Perseverance Endowed Scholarship Fund. He said Ms. Sullivan also discussed upcoming development events.

Chairman Shumock called for a report from the Health Affairs Committee, **Item 9**. On behalf of Dr. Charlton, Committee Chair, Dr. Furr stated that, at a meeting on March 4, 2021, Dr. Natalie Fox, Assistant Administrator/Chief of Nursing Operations for USA Health Physicians Group, presented an overview on USA Health's COVID-19 testing and vaccination response; Mr. Bailey discussed ribbon-cutting ceremonies for the Fanny Meisler Trauma Center and USA Health Midtown and showed a sketch of the proposed CWH pediatric emergency center; and Dr. Marymont advised that Dr. Benjamin Estrada, USA Health Assistant Dean for Educational Strategies and Faculty Development/Vice Chair and Professor of Pediatrics, had been appointed to the Sun Belt Conference's COVID-19 Advisory Panel. He advised of the Committee's recommendation of **Item 10** as follows and Chairman Shumock called for a vote. On motion by Ms. Atkins, seconded by Mr. Graham, the Board voted unanimously to approve the resolution:

RESOLUTION
USA HEALTH HOSPITALS MEDICAL STAFF APPOINTMENTS AND REAPPOINTMENTS FOR NOVEMBER AND DECEMBER 2020 AND JANUARY 2021

WHEREAS, the Medical Staff appointments and reappointments for November and December 2020 and January 2021 for the USA Health Hospitals are recommended for Board approval by the Medical Executive Committees and the USA Health Credentialing Board,

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

Chairman Shumock called for a report from the Academic and Student Affairs Committee, **Item 11**. Mr. Windom, Committee Chair, stated that, at a meeting on March 4, 2021, Associate Vice President for Finance and Administration Ms. Julie Schwindt and ILC/USA Online Executive Director Dr. Raj Chaudhury discussed student and faculty support during the COVID-19 pandemic, reporting that South had received more than $30 million in federal stimulus funding and more than $5.5 million in state CARES (Coronavirus Aid, Relief and Economic Security) awards; Director of the Office of Veterans Affairs Mr. Joshua Missouri gave an overview on the PAVE (Peer Advisors for Veteran Education) program and two peer mentors shared testimonials; and information on a new talent development program, designed to meet the region's industry workforce needs via sequential certificate and degree programs in conjunction with community college partnerships, was provided by Dr. Harold Pardue, Associate Vice President for Academic

Affairs/Dean of the Graduate School; General Steve Duff, University Consultant/Talent Development Program Director; and Dr. John Usher, College of Engineering Dean. He moved for the approval of **Item 12** as follows, noting that the Committee voted to recommend approval. Mr. Corcoran seconded and the Board voted unanimously to approve the resolution:

RESOLUTION
TENURE

WHEREAS, in accordance with University policy, faculty applications for tenure have been reviewed by the respective faculty peers and departmental chair, the Dean of the College of Medicine/Vice President for Medical Affairs, and the President and, as a result of this review process, the individuals listed are hereby recommended for tenure,

THEREFORE, BE IT RESOLVED, the University of South Alabama Board of Trustees approves and grants tenure to these individuals effective March 5, 2021.

MITCHELL CANCER INSTITUTE:
Dr. Martin J. Heslin

COLLEGE OF MEDICINE:
- Dr. Christopher Davies
- Dr. James R. Slauterbeck

Chairman Shumock called for a report from the Budget and Finance Committee, **Item 13**. Mr. Corcoran, Committee Chair, stated that, at a meeting on March 4, 2021, Mr. Weldon presented the quarterly financial statements for the three-months ended December 31, 2020, reporting an increase in net position of approximately $46.4 million compared to that of approximately $37.2 million reported for the quarter ended December 31, 2019. He stated Mr. Albano his discussed the results of the sale of Series 2021 bonds issued at an all-in interest rate of 2.58 percent and reported that the net proceeds totaling approximately $50 million would be used for various USA Health projects. He added that a bond purchase agreement for the sale of the bonds had been signed and he moved for the approval of **Item 14** as follows, noting that the Committee voted to recommend approval. Mr. Perkins seconded and the Board voted unanimously to approve the resolution:

A RESOLUTION AUTHORIZING THE ISSUANCE OF THE $40,555,000 UNIVERSITY FACILITIES REVENUE BONDS, SERIES 2021

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 as follows:

(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 public capi-

tal improvements, equipment and assets on the campus of the University including, without limitation, (i) improvements and assets to increase capacity within USA Health, a division of the University, including without limitation a new medical office building, operating room expansion and pediatric emergency room construction, and other improvements and assets, and (ii) roadway improvements, sidewalk improvements, retention pond improvements, utility improvements, and other public capital improvements, equipment and assets for the University (herein collectively called the "2021 Improvements"); and

(2) it is necessary, advisable and in the interest of the University and the public that the University issue its $40,555,000 University Facilities Revenue Bonds, Series 2021, in order to (i) pay the costs of the 2021 Improvements, (ii) pay the costs and expenses of issuing the said Series 2021 Bonds, and (iii) pay the premium for the municipal bond insurance policy respecting those of the Series 2021 Bonds maturing on April 1 of the years 2024 through 2041, inclusive.

(b) Series 2021 Bonds to be Issued as Additional Bonds Under the Indenture; Special Findings Under Section 8.2(b) of the Indenture

The Series 2021 Bonds shall be issued as additional parity bonds under Article VIII of the Indenture hereinafter referred to. In accordance with the provisions of Section 8.2(b) of the Indenture, the Board hereby finds and declares as follows:

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

(2) the Series 2021 Bonds shall be designated "Series 2021";

(3) the persons to whom the Series 2021 Bonds are to be delivered are set forth in Section 6 hereof;

(4) the Series 2021 Bonds are to be issued by sale in accordance with, and at the sale price set forth in, Section 6 hereof;

(5) 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 and will be paid with proceeds of the Series 2019-C Bond hereinafter authorized; (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 and pursuant to 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; (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"), which was issued under and pursuant to the Tenth Supplemental University Facilities Revenue Trust Indenture dated March 14, 2014; (xiv) $6,000,000 University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015 (herein called the "Series 2015 Bond"), which was issued under and pursuant to the Eleventh Supplemental University Facilities Revenue Trust Indenture dated June 15, 2015; (xv) $85,605,000 University Facilities Refunding Revenue Bonds, Series 2016, dated September 14, 2016 (herein called the "Series 2016 Bonds") which were issued under and pursuant to the Twelfth Supplemental University Facilities Revenue Trust Indenture dated as of March 14, 2014; (xvi) $20,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-B, dated December 7, 2016 (herein called the "Series 2016-B Bond") which was issued under and pursuant to the Thirteenth Supplemental University Facilities Revenue Trust Indenture dated as of December 7, 2016 (herein called the "Thirteenth Supplemental Indenture"), (xvii) $35,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-C, dated December 7, 2016 (herein called the "Series 2016-C Bond") which was issued under the Thirteenth Supplemental Indenture, (xviii) $45,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-D, dated December 7, 2016 (herein called the "Series 2016-D Bond") which was issued under the Thirteenth Supplemental Indenture, (xix) $38,105,000 original principal amount University Facilities Revenue Bonds, Series 2017, dated June 15,2017 (herein called the "Series 2017 Bonds") which were issued under a Fourteenth Supplemental University Facilities Revenue Trust Indenture dated June 15, 2017; (xx) $47,750,000 original principal amount University Facilities Revenue Bonds, Series 2019-A, dated February 7, 2019 (herein called the "Series 2019-A Bonds") which were issued under a Fifteenth Supplemental University Facilities Revenue Trust Indenture dated February 7, 2019 (herein called the "Fifteenth Supplemental

Indenture"), (xxi) $18,440,000 original principal amount Taxable University Facilities Revenue Bonds, Series 2019-B, dated February 7, 2019 (herein called the"Series 2019-B Bonds") which were issued under the Fifteenth Supplemental Indenture, (xxii) $19,086,000 original principal amount University Facilities Revenue Bond, Series 2019-C, dated December 12, 2019 (herein called the "Series 2019-C Bond") which was issued under a Sixteenth Supplemental University Facilities Revenue Trust Indenture dated December 12, 2019, and (xxiii) $37,005,000 original principal amount University Facilities Revenue Bonds, Series 2020, dated March 10, 2020 (herein called the "Series 2020 Bonds") which were issued under a Seventeenth Supplemental University Facilities Revenue Trust Indenture dated March 10, 2020. The Series 2012-A Bond, the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, the Series 2014-A Bond,the Series 2015 Bond, the Series 2016 Bonds, the Series 2016-B Bond, the Series 2016-C Bond, the Series 2016-D Bond, the Series 2017 Bonds, the Series 2019-A Bonds, the Series 2019-B Bonds, the Series 2019-C Bond and the Series 2020 Bonds are herein collectively called the "Outstanding Bonds";

(6) the Outstanding Bonds are the only bonds heretofore issued under the Indenture that are at this time and upon issuance of the Series 2021 Bonds outstanding under the Indenture; and

(7) the Series 2021 Bonds will be issued for the purposes described in paragraph (2) of Section 1 hereof.

The Trustee is hereby requested to authenticate and deliver the Series 2021 Bonds to the purchasers specified in Section 6 hereof upon payment of the purchase price designated therein.

Section 2. Authorization of the Series 2021 Bonds.

For the purposes specified in Section 1 of this resolution, the Board does hereby authorize to be issued by the University its $40,555,000 University Facilities Revenue Bonds, Series 2021, dated their date of initial issuance (herein called the "Series 2021 Bonds"), all under the terms, conditions and provisions set out in an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of issuance of the Series 2021 Bonds (herein called the "Eighteenth Supplemental Indenture"), 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 Eighteenth Supplemental Indenture, herein called the "Indenture"). All the provisions of the Indenture respecting the Series 2021 Bonds are hereby adopted as a part of this resolution as fully as if set out at length herein.

Section 3. Sources of Payment of the Series 2021 Bonds

The principal of and the interest on the Series 2021 Bonds shall be payable solely from Pledged Revenues as defined in the Indenture. Nothing contained in this resolution, in the Series 2021 Bonds 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 2021 Bonds except from and to the extent of the Pledged Revenues. The Series 2021 Bonds shall not represent or constitute obligations of any nature whatsoever of the State of Alabama (herein called 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 2021 Bonds and in the Indenture do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the University, and in the event of a breach of any such agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the University shall arise therefrom. Neither the Series 2021 Bonds nor the pledge or any agreement contained in the Indenture or in this resolution shall be or constitute an obligation of any nature whatsoever of the State, and neither the Series 2021 Bonds nor any obligations 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 2021 Bonds Payable at Par

All remittances of principal of and interest on the Series 2021 Bonds to the holders thereof shall be made at par without any deduction or exchange or other cost, fees or expenses. The bank at which the Series 2021 Bonds shall at any time be payable shall be considered by acceptance of its duties under the Indenture to have agreed that it will make or cause to be made remittances of principal of and interest on the Series 2021 Bonds, 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 Eighteenth Supplemental 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, the Eighteenth Supplemental Indenture in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit I to the minutes of said meeting (which form is hereby adopted in all respects as if set out in full in this resolution), and does hereby authorize and direct the Secretary of the Board to affix to the Eighteenth Supplemental Indenture the corporate seal of the University and to attest the same.

Section 6. Sale of the Series 2021 Bonds

The Series 2021 Bonds are hereby sold and awarded to Raymond James & Associates, Inc., Hancock Whitney Investment Services, Securities Capital Corporation, and The Frazer Lanier Company Incorporated (collectively herein called the "Underwriters"), at and for a purchase price equal to $50,372,096.70 (representing the principal amount of the Series 2021 Bonds, less an underwriting discount of $162,943.75, plus original issue premium of $9,980,040.45). The Board does hereby approve, ratify and affirm that certain Bond Purchase Agreement dated February 25, 2021 (the "Bond Purchase Agreement") between the University and the Underwriters, a copy of which is presented to the meeting at which this resolution is adopted and attached as Exhibit II to the minutes of said meeting (which such Bond Purchase Agreement is hereby adopted in all respects as if set out in full in this resolution). The Board does hereby ratify and affirm the execution of the Bond Purchase Agreement on behalf of the University by the Vice President for Finance and Administration. The Series 2021 Bonds shall bear such date, shall mature at such times and in such manner, shall bear such rate or rates of interest, shall be payable at such place, shall be in such denomination, shall bear such numbers and shall be in such form and contain such provisions as are set out in the said Bond Purchase Agreement and the Eighteenth Supplemental Indenture authorized in Section 5 above.

Section 7. Preliminary Official Statement; Official Statement.

(a) The actions of the Underwriters in circulating, on behalf of the University, a Preliminary Official Statement dated February 17, 2021, respecting the Series 2021 Bonds, a copy of which is attached hereto as Exhibit III, are hereby ratified and affirmed, and the said Preliminary Official Statement is hereby adopted as the Preliminary Official Statement of the University. The Board hereby ratifies and affirms the actions of the President and of other officers of the University in causing the said Preliminary Official Statement to be "deemed final" as of its date within themeaning of Rule 15c2-12(b)(1) promulgated by the U.S. Securities Exchange Commission (the "Rule").

(b) The Board does hereby authorize and direct the President of the University and the Vice President for Finance and Administration to execute, for and in the name and behalf of the University, an Official Statement dated February 25, 2021, with respect to the Series 2021 Bonds dated the date of sale of the Series 2021 Bonds, in substantially the form of Exhibit IV attached hereto, with such changes as shall be necessary to conform to the provisions of this resolution and to reflect such other changes as shall be approved by the President of the University or the Vice President for Finance and Administration and acceptable to the Underwriters (the "Official Statement"). The Board does hereby declare that the Official Statement so executed by the President of the University or the Vice President for Finance and Administration shall be the Official Statement of the University with respect to the Series 2021 Bonds.

Section 8. Authorization of Continuing Disclosure Agreement

The President of the University is hereby authorized and directed to execute and deliver, on behalf of the University, a Continuing Disclosure Agreement for the benefit of the beneficial owners of the Series 2021 Bonds, in substantially the form presented to the meeting at which this resolution is adopted (which form shall be attached as Exhibit V to the minutes of said meeting and which is hereby adopted in all respects as if set out in full in this resolution). The said Continuing Disclosure Agreement is to be entered into contemporaneously with the issuance of the Series 2021 Bonds in order to assist the Underwriters of the Series 2021 Bonds in complying with the Rule. The rights of enforcement of the said Continuing Disclosure Agreement shall be as provided therein, and in no event shall a default by the University thereunder constitute a default hereunder or under the Indenture.

Section 9. Execution and Delivery of the Series 2021 Bonds

The Board does hereby authorize the President of the University to execute the Series 2021 Bonds, in the name and on behalf of the University, by manually signing each 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 each of the Series 2021 Bonds and to attest the same by signing the Series 2021 Bonds, and the President of the University is hereby authorized and directed to deliver the Series 2021 Bonds, subsequent to their execution as provided herein and in the Indenture, to the Trustee under the Indenture, and to direct the Trustee to authenticate all the Series 2021 Bonds and to deliver them to the Underwriters, upon payment to the University of the purchase price therefor in accordance with the provisions of Section 6 hereof.

Section 10. Application of Proceeds.

The entire proceeds derived by the University from the sale of the Series 2021 Bonds, less the underwriter's discount in the amount of $162,943.75 to be retained by the Underwriters and the $155,712.34 premium for the municipal bond insurance policy to be wired directly by the Underwriters to Build America Mutual Assurance Company, the provider thereof, shall be paid to the Trustee under the Indenture, which is thereupon authorized and directed to apply and disburse such moneys for the purposes and in the order specified in Section 1.6 of the Eighteenth Supplemental Indenture herein authorized.

Section 11. Resolution Constitutes Contract; Severability.

The provisions of this resolution shall constitute a contract between the University and the holders of the Series 2021 Bonds. 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 12. General Authorization; Authorization to Execute Series 2021 Bonds and Other Instruments by the Chair Pro Tempore and the Vice President for Finance and Administration.

(a) 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 and to the end that the Series 2021 Bonds may be executed, issued and delivered.

(b) Each of the Chair Pro Tempore of the Board and the Vice President for Finance and Administration of the University, is hereby further authorized to (i) sign and deliver the Series 2021 Bonds, the Eighteenth Supplemental University Facilities Revenue Trust Indenture, the Continuing Disclosure Agreement, the Official Statement, and such other documents as have been authorized for signature by the President of the University in the event it is desirable for the Chair Pro Tempore of the Board or for the Vice President of Finance and Administration of the University, as the case may be, to execute such instruments, or any of them, and (ii) affix the seal of the University to, and to attest, the Series 2021 Bonds, the Eighteenth Supplemental University Facilities Revenue Trust Indenture, and such other documents as the Secretary of the Board has been so authorized in the event it is desirable for the Chair Pro Tempore of the Board or for the Vice President of Finance and Administration of the University, as the case may be, to do so.

Chairman Shumock called for a report from the Long-Range Planning Committee, **Item 15**. Ms. Brown Stewart, Committee Chair, stated that, at a meeting on March 4, 2021, Associate Vice President for Institutional Effectiveness Dr. Angela Coleman gave an update on the strategic planning process, discussing the timeline; a modification of the process to update only the objectives of the existing strategic priorities that set clear expectations until a new president can develop a strategic planning agenda; that dialogue on the objectives would produce information beneficial in generating the next quality enhancement plan, which is a SACSCOC (Southern Association of Colleges and Schools Commission on Colleges) requirement; and that the strategic planning process would also serve the SACSCOC requirement for a strategic plan that informs the Institution's budgetary and assessment systems.

Chairman Shumock called for a report from the Evaluation and Compensation Committee, **Item 16**. Capt. Jenkins, Committee Chair, stated that, at a meeting on March 4, 2021, he reported that a summary of the primary University goals for 2020-2021 had been submitted to the Committee for review, as was a comprehensive package outlining significant accomplishments achieved in 2020. He stated the outstanding results conveyed in the reports were a product of close collaboration between the University President, President's Council, faculty and staff. On behalf of the Committee, he thanked everyone who had been involved in compiling the information that reflected very positively on the progress of the University.

Chairman Shumock presented Item **16.A** as follows and encouraged Trustees to sit in on meetings of the Presidential Search Committee as a way of preparing for the important decision the Board would ultimately make in selecting the next president. He moved for the approval of the resolution and Mr. Yance seconded. The Board voted unanimously to approve the resolution:

RESOLUTION
AMENDMENTS TO *PRESIDENTIAL SEARCH GUIDELINES*
AND APPOINTMENT OF PRESIDENTIAL SEARCH COMMITTEE

WHEREAS, President Waldrop has announced his intent to retire from the University of South Alabama effective July 1, 2021, and

WHEREAS, a committee composed of representatives of the University of South Alabama Board of Trustees, Faculty, Student Government Association, Administration, National Alumni Association, and Mobile community developed recommended guidelines to be followed in searches for presidents of the University, and

WHEREAS, at a regular meeting of the Board on August 24, 2000, the *Presidential Search Guidelines (*"Guidelines"*)* were adopted, a revision of same was adopted by the Board on August 27, 2001, and additional revisions were adopted by the Board on June 6, 2014, and

WHEREAS, the Guidelines call for a search committee to be appointed by the Board at the outset of the search for a new University President,

NOW, THEREFORE, BE IT RESOLVED, the Board of Trustees of the University of South Alabama hereby adopts the University of South Alabama *Presidential Search Guidelines* as amended and in the form attached hereto and incorporated herein by reference, and

BE IT FURTHER RESOLVED, the Board of Trustees of the University of South Alabama hereby appoints the search committee as set forth in the attachment hereto which is incorporated herein by reference.

There being no further business, the meeting was adjourned at 12:22 p.m.

Attest to:	Respectfully submitted:
Katherine Alexis Atkins, Secretary	James H. Shumock, Chair *pro tempore*

APPENDIX A

EXHIBIT I

FORM OF EIGHTEENTH SUPPLEMENTAL INDENTURE

EIGHTEENTH SUPPLEMENTAL UNIVERSITY FACILITIES REVENUE TRUST INDENTURE

between

UNIVERSITY OF SOUTH ALABAMA

and

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

Dated March 10, 2021

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EIGHTEENTH SUPPLEMENTAL UNIVERSITY FACILITIES REVENUE TRUST INDENTURE between the **UNIVERSITY OF SOUTH ALABAMA**, public body corporate under the laws 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 University Facilities Revenue Trust Indenture 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, which are no longer outstanding (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"), which are no longer outstanding, (vi) $112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008 (the "Series 2008 Bonds"), which are no longer outstanding, (vii) $29,750,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010 (the "Series 2010 Bond"), which is no longer outstanding, (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, which is no longer outstanding (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"), (xiii) $41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014 (the "Series 2014-A Bond"), (xiv) $6,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015 (the "Series 2015 Bond"), (xv) $85,605,000 original principal amount University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016 (the "Series 2016 Bonds"), (xvi) $20,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-B, dated December 7, 2016 (the "Series 2016-B Bond"), (xvii) $35,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-C, dated December 7, 2016 (the "Series 2016-C Bond"), (xviii) $45,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-D, dated December 7, 2016 (the "Series 2016-D Bond"), (xix) $38,105,000 original principal amount University Facilities Revenue Bonds, Series 2017, dated June 15, 2017 (the "Series 2017 Bonds"); (xx) $47,750,000 original principal amount University Facilities Revenue Bonds, Series 2019-A, dated February 7, 2019 (the "Series 2019-A Bonds"), (xxi) $18,440,000 original principal amount Taxable University Facilities Revenue

Bonds, Series 2019-B, dated February 7, 2019 (the "Series 2019-B Bonds"), (xxii) $19,086,000 original principal amount University Facilities Revenue Bond, Series 2019-C, dated December 12, 2019 (the "Series 2019-C Bond"), and (xxiii) $37,005,000 original principal amount University Facilities Revenue Bond, Series 2020, dated March 10, 2020 (the "Series 2020 Bonds").

(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 2012-A Bond, the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, the Series 2014-A Bond, the Series 2015 Bond, the Series 2016 Bonds, the Series 2016-B Bond, the Series 2016-C Bond, the Series 2016-D Bond, the Series 2017 Bonds, the Series 2019-A Bonds, the Series 2019-B Bonds, the Series 2019-C Bond and the Series 2020 Bonds (collectively, the "Outstanding Bonds"), and with such Additional Bonds as shall hereafter be issued upon compliance with the applicable provisions of said Article VIII.

(c) The University has determined it is necessary, wise and in the best interest of the University and the public to (i) pay the costs of various capital improvements at the University hereinafter defined as the 2021 Improvements, and (ii) pay certain issuance costs with the issuance of Additional Bonds in the aggregate principal amount of $40,555,000. The University has duly adopted a resolution authorizing the issuance of such Additional Bonds and this Eighteenth Supplemental University Facilities Revenue Trust Indenture is executed in order to specify the details with respect to such Additional Bonds.

(d) This Eighteenth Supplemental University Facilities Revenue Trust Indenture is being executed to provide for the issuance of the Series 2021 Bonds (hereinafter referred to) as Additional Bonds under the Indenture.

Additional Definitions

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

"**Authorized University Officer"** means the President of the University, the Vice President for Finance and Administration, or such other officer of the University as either of the foregoing officers shall have designated in writing to serve as an Authorized University Officer hereunder.

"**Insurance Policy**" means the municipal bond insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Insured Series 2021 Bonds as provided therein, the specimen policy being set forth on Exhibit A hereto.

"**Insured Series 2021 Bonds**" means those of the Series 2021 Bonds maturing on April 1, in the years 2024 through 2041, inclusive.

"**Insurer**" means Build America Mutual Assurance Company, or any successor thereto or assignee thereof.

"**Interest Payment Date**" means, with respect to the Series 2021 Bonds, each October 1 and April 1, commencing October 1, 2021.

"**Record Date**" as used in the Indenture shall be, with respect to the Series 2021 Bonds, the September 15 and March 15 immediately preceding each Interest Payment Date.

"**Series 2021 Bonds**" means the University Facilities Revenue Bonds, Series 2021, authorized to be issued in the aggregate principal amount of $40,555,000 and dated their original date of issuance.

"**2021 Improvements**" means (1) the design, acquisition, construction, installation, furnishing and equipping of (i) certain public capital improvements on the campus of the University consisting of improvements and assets to increase capacity within USA Health, including without limitation a new medical office building, operating room expansion and pediatric emergency room construction, and other improvements and assets, and (ii) public roadway improvements, sidewalk improvements, retention pond improvements, utility improvements, and other public capital improvements, equipment and assets for the University

NOW, THEREFORE, THIS EIGHTEENTH 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 holders at any time of the Series 2021 Bonds hereinafter referred to and the Outstanding Bonds each with each of the others, as follows:

ARTICLE I
SERIES 2021 BONDS

Section 1.1 Authorization and Description of the Series 2021 Bonds**.** (a) There is hereby authorized to be issued by the University under the Indenture a series of Bonds entitled "University Facilities Revenue Bonds, Series 2021", dated March 10, 2021, which shall be issued in the aggregate principal amount of $40,555,000. The Series 2021 Bonds shall mature and become payable on April 1 in the years and amounts shown below. Interest shall be payable on October 1, 2021, and on each Interest Payment Date thereafter, and the Series 2021 Bonds shall bear interest at the per annum rates set forth below, computed on the basis of a 360-day year of twelve consecutive 30-day months:

Maturity (April 1)	Principal Amount	Interest Rate
2022	$1,175,000	4.000%
2023	1,335,000	4.000
2024	1,390,000	4.000
2025	1,445,000	4.000
2026	1,500,000	4.000
2027	1,560,000	5.000
2028	1,640,000	5.000
2029	1,720,000	5.000
2030	1,810,000	5.000
2031	1,900,000	5.000
2032	1,995,000	5.000
2033	2,095,000	5.000
2034	2,200,000	5.000
2035	2,310,000	5.000
2036	2,420,000	5.000

2037	2,545,000	5.000
2038	2,670,000	5.000
2039	2,805,000	5.000
2040	2,945,000	5.000
2041	3,095,000	5.000

(b) The Series 2021 Bonds shall be issued in denominations of $5,000 or any multiple thereof. The Series 2021 Bonds shall be initially issued in the Authorized Denominations and registered in the names of the Holders as shall be designated by the underwriters for the Series 2021 Bonds.

Section 1.2 Optional Redemption Provisions.

Those of the Series 2021 Bonds having stated maturities on April 1, 2032, and thereafter, shall be subject to redemption prior to their respective maturities, at the option of the University, in whole or in part (but, if in part, in multiples of $5,000 with those of the maturities to be redeemed to be selected by the University at its discretion, and if less than all the Series 2021 Bonds having the same maturity are to be redeemed, those to be redeemed to be selected by the Trustee by lot), on April 1, 2031, and on any date thereafter, at and for a redemption price for each Series 2021 Bond redeemed equal to the par or face amount thereof plus accrued interest thereon to the date fixed for redemption.

Section 1.3 Payments into Bond Fund; Method of Payment.

The University will pay into the Bond Fund created in the Indenture, in addition to all other payments required to be paid therein, an amount sufficient to pay the principal of and interest on the Series 2021 Bonds when due. The principal of the Series 2021 Bonds shall be payable at maturity at the designated office of the Trustee in the City of Birmingham, Alabama. Interest on the Series 2021 Bonds shall be payable by check or draft mailed or otherwise delivered by the Trustee to the respective Holders thereof at their addresses as they appear on the registry books of the Trustee pertaining to the registration of the Series 2021 Bonds. The principal and the interest on the Series 2021 Bonds shall be payable only upon maturity and only upon surrender of such Series 2021 Bonds to the Trustee. All installments of principal of and interest on each Series 2021 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 such Series 2021 Bond.

Issued in Book-Entry Form. The Series 2021 Bonds shall be initially issued in book-entry only form, registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, NY ("DTC") as further described in Article II hereof. So long as the said book-entry only system remains in effect, the provisions of this Eighteenth Supplemental Indenture, including the provisions governing the registration and exchange of Series 2021 Bonds, places and manner of payment of Series 2021 Bonds, and requirements for presentment of Series 2021 Bonds shall be subject to the standard procedures of DTC.

Section 1.4 Form of Series 2021 Bonds**.** The form of Series 2021 Bonds and the Trustee's Authentication Certificate applicable thereto shall be in substantially the following form:

> Unless this certificate is presented by an authorized representative of The Depository Trust Company ("DTC"), to the University or its agent for registration

of transfer, exchange, or payment, and any certificate issued is registered in the name of DTC or the DTC Nominee (as defined in the Indenture referenced in this certificate), as the case maybe, or in such other name as is requested by an authorized representative of DTC (and any payment is made to DTC or the DTC Nominee or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, DTC or the DTC Nominee, as the case may be, has an interest herein.

UNITED STATES OF AMERICA
STATE OF ALABAMA
UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Bonds
Series 2021

Interest Rate	Maturity Date	CUSIP Number

Subject to the provisions as herein stated

For value received, **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 **CEDE & CO.**, or registered assigns, the principal sum of

_________________________DOLLARS

on the date specified above, with interest thereon from the date hereof until the maturity hereof at the per annum rate of interest specified above, payable on October 1, 2021, and semiannually thereafter on each April 1 and October 1 until and at the maturity hereof. Interest shall be computed on the basis of a 360-day year with 12 months of 30 days each. The principal of this bond is payable only upon presentation and 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 hereinafter referred to. Interest on this bond is payable by check or draft mailed by the Trustee on the interest payment date to the registered holder hereof and at the address shown on the registry books of the Trustee pertaining to the Series 2021 Bonds as of the close of business on the September 15 or March 15, as the case may be, next preceding the date of payment of such interest.

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 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 person in whose name a Bond is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Any transferee of this bond takes it subject to all payments of principal and interest in fact made with respect hereto.

This bond is one of a duly authorized issue of bonds (herein called the "Series 2021 Bonds") issuable in series without express limit as to principal amount under a Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended and as further supplemented and amended by an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Series 2021 Bonds (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., as trustee (herein called the "Trustee"). The principal of and the interest on the Series 2021 Bonds 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, (c) additional fees and revenues, if any, that may be subjected to the lien of the Indenture pursuant to a Supplemental Indenture, and (d) an amount not exceeding $10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children's and Women's Hospital (herein called the "Pledged Revenues"), and shall not be payable from any other funds or revenues, on a parity of lien with (I) the University's (a) $25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012, (b) $32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013, (c) $8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013, (d) $10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013, (e) $41,245,000 original principal amount University Facilities Revenue Refunding Bond, Series 2014-A, dated March 14, 2014, (f) $6,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2015, dated June 15, 2015, (g) $85,605,000 original principal amount University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016, (h) $20,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-B, dated December 7, 2016, (i) $35,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-C, dated December 7, 2016, (j) $45,000,000 original principal amount University Facilities Revenue Refunding Bond, Series 2016-D, dated December 7, 2016, (k) $38,105,000 original principal amount University Facilities Revenue Bonds, Series 2017, dated June 15, 2017, (l) $47,750,000 original principal amount University Facilities Revenue Bonds, Series 2019-A, dated February 7, 2019, (n) $18,440,000 original principal amount Taxable University Facilities Revenue Bonds, Series 2019-B, dated February 7, 2019, (o) $19,086,000 original principal amount University Facilities Revenue Bond, Series 2019-C, dated December 12, 2019, and (p) $37,005,000 original principal amount University Facilities Revenue Bond, Series 2020, dated March 10, 2020, 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 holders of the Series 2021 Bonds and the terms and conditions on which additional series of Bonds may be issued. 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 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 or 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 series of Bonds of which this is one is designated Series 2021, and is authorized to be issued in the aggregate principal amount of $40,555,000.

Those of the Series 2021 Bonds having a stated maturity on April 1, 2032, and on any date thereafter, shall be subject to redemption and payment by the University, at the option of the University, as a whole or in part on April 1, 2031, and on any date thereafter (but if redeemed in part, (i) of such maturity or maturities as the University shall designate, and if less than all the Series 2021 Bonds of a single maturity are to be redeemed, those to be redeemed to be selected by the Trustee by lot, and (ii) only in installments of $5,000 or any integral multiple thereof), at and for a redemption price equal to the par or face amount thereof plus accrued interest to the date fixed for redemption.

The Series 2021 Bonds are not general obligations 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. The Series 2021 Bonds are not obligations or debts 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 said bonds 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 Series 2021 Bonds are issuable only as fully registered bonds in the denomination of $5,000 or any integral multiple thereof. Provision is made in the Indenture for the exchange of Bonds for a like aggregate principal amount of Bonds of the same maturity and interest rate and in an authorized denomination, all as may be requested by the holder surrendering the Bond or Bonds to be so exchanged and upon the terms and conditions specified in the Indenture.

This bond is transferable by the registered holder hereof in person, or by duly authorized attorney, only on the registry books of the Trustee pertaining to the Bonds and only upon surrender of this bond to the Trustee for cancellation, and upon any such transfer a new Bond of like tenor herewith will be issued to the transferee in exchange therefore, all as more particularly provided in the Indenture. Each holder, by receiving and accepting this bond, shall consent and agree and shall be estopped to deny that, insofar as the University and the Trustee are concerned, this bond may be transferred only in accordance with the provisions of the Indenture. 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 March 10, 2021.

UNIVERSITY OF SOUTH ALABAMA

By:___________________________________
President

[SEAL]

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

Form of Assignment

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

DATED this ____ day of ____________, ____.

____

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

Signature guaranteed:

____

(Bank, Broker or Firm)*

By ___________________________________

(Authorized Officer)

Its Medallion Number: __________________

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

Statement Regarding Municipal Bond Insurance Policy

Build America Mutual Assurance Company ("BAM"), New York, New York, has delivered its municipal bond insurance policy (the "Policy") with respect to the scheduled payments due of principal of and interest on Series 2021 Bonds maturing on April 1 of the years 2024 through 2041, inclusive (the "Insured Bonds") to The Bank of New York Mellon Trust Company, N.A., Birmingham, Alabama, or its successor, as trustee under the Indenture for the Series 2021 Bonds (the "Trustee"). Said Policy is on file and available for inspection at the principal office of the

Trustee and a copy thereof may be obtained from BAM or the Trustee. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. By its purchase of the Insured Series 2021 Bonds, the owner acknowledges and consents (i) to the subrogation and all other rights of BAM as more fully set forth in the Policy, and (ii) that upon the occurrence and continuance of a default or an event of default under the Indenture or this Insured Series 2021 Bond, BAM shall be deemed to be the sole owner of the Insured Series 2021 Bonds for all purposes and shall be entitled to control and direct the enforcement of all rights and remedies granted to the owners of the Insured Series 2021 Bonds or the trustee, paying agent, registrar or similar agent for the benefit of such owners under the Indenture, at law or in equity.

Section 1.5 Execution and Delivery of the Series 2021 Bonds**.**

The Series 2021 Bonds 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 Sale of Series 2021 Bonds**.**

The entire proceeds derived by the University from the sale of the Series 2021 Bonds (less the underwriting discount of $162,943.75 to be retained by the Underwriters, and less the sum of $155,712.34 to be paid directly by the Underwriters to the Insurer for the premium for the Insurance Policy referable to the Insured Series 2021 Bonds) shall be paid to the Trustee and promptly thereafter applied by the Trustee for the following purposes and in the following order:

(i)

the sum of $50,000,000 shall be deposited into a special fund or account of the University and used to pay costs of the 2021 Improvements (the "2021 Construction Fund"); and

(ii)

the balance ($216,384.36) shall be deposited by the Trustee into a special clearing account herein authorized for the Trustee to create and establish, and applied by the Trustee for payment of those costs of issuing the Series 2021 Bonds identified in a written directive from an Authorized University Officer to the Trustee on the date of issuance of the Series 2021 Bonds, with any funds remaining in said clearing account following the date of issuance of the Series 2021 Bonds to be remitted by the Trustee to the 2021 Construction Fund as directed in writing by the University.

ARTICLE II
BOOK-ENTRY ONLY SYSTEM

The Series 2021 Bonds will be issued as fully-registered bonds in the name of Cede & Co., as nominee of DTC, as registered owner of the Series 2021 Bonds. Purchasers of such Series 2021 Bonds will not receive physical delivery of Series 2021 Bond certificates. For purposes of this Eighteenth Supplemental Indenture, so long as all of the Series 2021 Bonds are in the custody of DTC, references to Series 2021 Bondholders or Owners shall mean DTC or its nominee.

DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond will be issued for each maturity of the Series 2021 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 7A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2021 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2021 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2021 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2021 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2021 Bonds, except in the event that use of the book-entry system for the Series 2021 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2021 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2021 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2021 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2021 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2021 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2021 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2021 Bond documents. For example, Beneficial Owners of Series 2021 Bonds may wish to ascertain that the nominee holding the Series 2021 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2021 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2021 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2021 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2021 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the University or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Series 2021 Bonds held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the University or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

NEITHER THE UNIVERSITY NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO SUCH PARTICIPANTS, OR TO THE PERSONS FOR WHOM THEY ACT AS NOMINEES WITH RESPECT TO THE SERIES 2021 BONDS, OR TO ANY BENEFICIAL OWNER IN RESPECT OF THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT, THE PAYMENT BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT IN RESPECT OF THE PRINCIPAL OR REDEMPTION PRICE OF OR INTEREST ON THE SERIES 2021 BONDS, ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO SERIES 2021 BONDHOLDERS UNDER THE EIGHTEENTH SUPPLEMENTAL INDENTURE, THE SELECTION BY DTC OR ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF PARTIAL REDEMPTION OF THE SERIES 2021 BONDS WITH RESPECT TO LESS THAN ALL OF THE SERIES 2021 BONDS, OR ANY OTHER ACTION TAKEN BY DTC AS REGISTERED SERIES 2021 BONDHOLDER.

For every transfer and exchange of the Series 2021 Bonds, the Beneficial Owner may be charged a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto, and any reasonable fees and expenses of the Trustee and the costs incurred in preparing Series 2021 Bond certificates.

DTC may discontinue providing its services as securities depository with respect to the Series 2021 Bonds at any time by giving reasonable notice to the University. In the event of the discontinuance of the book-entry system for the Series 2021 Bonds, Series 2021 Bond certificates will be printed and delivered and the following provisions of the Indenture will apply: (i) principal of the Series 2021 Bonds will be payable upon surrender of the Series 2021 Bonds at the designated office of the Trustee; (ii) Series 2021 Bonds may be transferred or exchanged for other Series 2021 Bonds of authorized denominations as set forth in the next succeeding two paragraphs; and (iii) Series 2021 Bonds will be issued in denominations as described in the front portion of the Official Statement under "THE SERIES 2021 BONDS".

In the event of the discontinuance of the use of the system of book-entry-only transfers through DTC (or a successor depository), Series 2021 Bond certificates will be printed and delivered to DTC.

The information in this article concerning DTC and DTC's book-entry system has been obtained from sources that the University believes to be reliable, but the University takes no responsibility for the accuracy thereof.

ARTICLE III
CERTAIN PROVISIONS REGARDING THE INSURER

Section 3.1 Applicability of this Article**.**

Notwithstanding anything to the contrary contained in the Indenture, so long as the Insurance Policy remains in full force and effect and the Insurer is not then in payment default under the Insurance Policy, the provisions of this Article 3 shall apply for the benefit of the Insurer; provided that to the extent that the Insurer has made any payment of principal of or interest on the Insured Series 2021 Bonds, it shall retain its rights of subrogation hereunder and under the Insurance Policy.

Section 3.2 Requirements of the Insurer.

(a) Notice and Other Information to be given to Insurer.

The University will provide Insurer with all notices and other information it is obligated to provide (i) under its Continuing Disclosure Agreement and (ii) to the holders of Insured Obligations or the Trustee under the Security Documents. The notice address of Insurer is: Build America Mutual Assurance Company, 200 Liberty Street, 27th Floor, New York, NY 10281, Attention: Surveillance, Re: Policy No. [_____________] (Series 2021 Bonds), Telephone: (212) 235-2500, Telecopier: (212) 235-1542, Email: notices@buildamerica.com. In each case in which notice or other communication refers to an event of default or a claim on the Policy, then a copy of such notice or other communication shall also be sent to the attention of the General Counsel at the same address and at claims@buildamerica.com or at Telecopier: (212) 235-5214 and shall be marked to indicate "URGENT MATERIAL ENCLOSED."

(b) Defeasance.

The investments in the defeasance escrow relating to Insured Obligation shall be limited to non-callable, direct obligations of the United States of America and securities fully and unconditionally guaranteed as to the timely payment of principal and interest by the United States of America, or as otherwise maybe authorized under State law and approved by Insurer. At least (three) 3 Business Days prior to any defeasance with respect to the Insured Obligations, the University shall deliver to Insurer draft copies of an escrow agreement, an opinion of bond counsel regarding the validity and enforceability of the escrow agreement and the defeasance of the Insured Obligations, a verification report (a "Verification Report") prepared by a nationally recognized independent financial analyst or firm of certified public accountants regarding the sufficiency of the escrow fund. Such opinion and Verification Report shall be addressed to Insurer and shall be in form and substance satisfactory to Insurer. In addition, the escrow agreement shall provide that:

(i)

Any substitution of securities following the execution and delivery of the escrow agreement shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of Insurer, which consent will not be unreasonably withheld.

(ii)

The University will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such redemption there shall be provided to Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(iii)

The University shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of Insurer.

(c) Trustee and Paying Agent.

(i)

Insurer shall receive prior written notice of any name change of the trustee (the "Trustee") or, if applicable, the paying agent (the "Paying Agent") for the Insured Obligations or the resignation or removal of the Trustee or, if applicable, the Paying Agent. Any Trustee must be (A) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, (B) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets, or (C) otherwise approved by Insurer in writing.

(ii)

No removal, resignation or termination of the Trustee or, if applicable, the Paying Agent shall take effect until a successor, reasonably acceptable to Insurer, shall be qualified and appointed.

(d) Amendments, Supplements and Consents.

Insurer's prior written consent is required for all amendments and supplements to the Security Documents, with the exceptions noted below. The University shall send copies of any such amendments or supplements to Insurer and the rating agencies which have assigned a rating to the Insured Obligations.

(i) *Consent of Insurer*.

Any amendments or supplements to the Security Documents shall require the prior written consent of Insurer with the exception of amendments or supplements:

(1) To cure any ambiguity or formal defect or omissions or to correct any inconsistent provisions in the transaction documents or in any supplement thereto, or

(2) To grant or confer upon the holders of the Insured Obligations any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the holders of the Insured Obligations, or

(3) To add to the conditions, limitations and restrictions on the issuance of bonds or other obligations under the provisions of the Security Documents other conditions, limitations and restrictions thereafter to be observed, or

(4) To add to the covenants and agreements of the University in the Security Documents other covenants and agreements thereafter to be observed by the University or to surrender any right or power therein reserved to or conferred upon the University.

(5) To issue additional parity debt in accordance with the requirements set forth in the Security Documents.

(ii) *Consent of Insurer in Addition to Bondholder Consent*.

Any amendment, supplement, modification to, or waiver of, any of the Security Documents that requires the consent of holders of the Insured Obligations or adversely affects the rights or interests of Insurer shall be subject to the prior written consent of Insurer.

(iii) *Insolvency*.

Any reorganization or liquidation plan with respect to the University must be acceptable to Insurer. Each owner of the Insured Obligations hereby appoint Insurer as their agent and attorney-in-fact with respect to the Insured Obligations and agree that Insurer may at any time during the continuation of any proceeding by or against the University under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each owner of the Insured Obligations delegate and assign to Insurer, to the fullest extent permitted by law, the rights of each owner of the Insured Obligations with respect to the Insured Obligations in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each owner of the Insured Obligations for the Insurer's benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment.

(iv) *Control by Insurer Upon Default.*

Anything in the Security Documents to the contrary notwithstanding, upon the occurrence and continuance of a default or an event of default, Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Obligations or the Trustee or Paying Agent for the benefit of the holders of the Insured Obligations under any Security Document. No default or event of default may be waived without Insurer's written consent.

(v) *Insurer as Owner.*

Upon the occurrence and continuance of a default or an event of default, Insurer shall be deemed to be the sole owner of the Insured Obligations for all purposes under the Security Documents, including, without limitations, for purposes of exercising remedies and approving amendments.

(vi) *Consent of Insurer for acceleration.*

Insurer's prior written consent is required as a condition precedent to and in all instances of acceleration of the Insured Obligations.

(vii) *Grace Period for Payment Defaults.*

No grace period shall be permitted for payment defaults on the Insured Obligations. No grace period for a covenant default shall exceed 30 days without the prior written consent of Insurer.

(viii) *Special Provisions for Insurer Default.*

If an Insurer Default shall occur and be continuing, then, notwithstanding anything in paragraphs (d)(i)-(v) above to the contrary, (1) if at any time prior to or following an Insurer Default, Insurer has made payment under the Policy, to the extent of such payment Insurer shall be treated like any other holder of the Insured Obligations for all purposes, including giving of consents, and (2) if Insurer has not made any payment under the Policy, Insurer shall have no further consent rights until the particular Insurer Default is no longer continuing or Insurer makes a payment under the Policy, in which event, the foregoing clause (1) shall control. For purposes of this paragraph, "Insurer Default" means: (A) Insurer has failed to make any payment under the Policy when due and owing in accordance with its terms; or (B) Insurer shall (i) voluntarily commence any proceeding or file any petition seeking relief under the United States

Bankruptcy Code or any other Federal, state or foreign bankruptcy, insolvency or similar law, (ii) consent to the institution of or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for such party or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, or (vi) take action for the purpose of effecting any of the foregoing; or (C) any state or federal agency or instrumentality shall order the suspension of payments on the Policy or shall obtain an order or grant approval for the rehabilitation, liquidation, conservation or dissolution of Insurer (including without limitation under the New York Insurance Law).

(e) Insurer As Third Party Beneficiary.

Insurer is recognized as and shall be deemed to be a third party beneficiary of the Security Documents and may enforce the provisions of the Security Documents as if it were a party thereto.

(f) Payment Procedure Under the Policy.

In the event that principal and/or interest due on the Insured Obligations shall be paid by Insurer pursuant to the Policy, the Insured Obligations shall remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the University, the assignment and pledge of the trust estate and all covenants, agreements and other obligations of the University to the registered owners shall continue to exist and shall run to the benefit of Insurer, and Insurer shall be subrogated to the rights of such registered owners.

In the event that on the second (2^{nd}) business day prior to any payment date on the Insured Obligations, the Paying Agent or Trustee has not received sufficient moneys to pay all principal of and interest on the Insured Obligations due on such payment date, the Paying Agent or Trustee shall immediately notify Insurer or its designee on the same business day by telephone or electronic mail, of the amount of the deficiency. If any deficiency is made up in whole or in part prior to or on the payment date, the Paying Agent or Trustee shall so notify Insurer or its designee.

In addition, if the Paying Agent or Trustee has notice that any holder of the Insured Obligations has been required to disgorge payments of principal of or interest on the Insured Obligations pursuant to a final, non-appealable order by a court of competent jurisdiction that such payment constitutes an avoidable preference to such holder within the meaning of any applicable bankruptcy law, then the Paying Agent or Trustee shall notify Insurer or its designee of such fact by telephone or electronic mail, or by overnight or other delivery service as to which a delivery receipt is signed by a person authorized to accept delivery on behalf of Insurer.

The Paying Agent or Trustee shall irrevocably be designated, appointed, directed and authorized to act as attorney-in-fact for holders of the Insured Obligations as follows:

(i)

If there is a deficiency in amounts required to pay interest and/or principal on the Insured Obligations, the Paying Agent or Trustee shall (1) execute and deliver to Insurer, in form satisfactory to Insurer, an instrument appointing Insurer as agent and attorney-in-fact for such holders of the Insured Obligations in any legal proceeding related to the payment and assignment to Insurer of the claims for interest on the Insured Obligations, (2) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment from Insurer with respect to the claims for interest so assigned, (3) segregate all such payments in a separate account (the "Insurer Policy Payment Account") to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (4) disburse the same to such respective holders; and

(ii)

If there is a deficiency in amounts required to pay principal of the Insured Obligations, the Paying Agent or Trustee shall (i) execute and deliver to Insurer, in form satisfactory to Insurer, an instrument appointing Insurer as agent and attorney-in-fact for such holder of the Insured Obligations in any legal proceeding related to the payment of such principal and an assignment to Insurer of the Insured Obligations surrendered to Insurer, (ii) receive as designee of the respective holders (and not as Paying Agent) in accordance with the tenor of the Policy payment therefore from Insurer, (iii) segregate all such payments in the Insurer Policy Payment Account to only be used to make scheduled payments of principal of and interest on the Insured Obligation, and (iv) disburse the same to such holders.

The Trustee shall designate any portion of payment of principal on Insured Obligations paid by Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Insured Obligations registered to the then current holder, whether DTC or its nominee or otherwise, and shall issue a replacement Insured Obligation to Insurer, registered in the name directed by Insurer, in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Insured Obligation shall have no effect on the amount of principal or interest payable by the University on any Insured Obligation or the subrogation or assignment rights of Insurer.

Payments with respect to claims for interest on and principal of Insured Obligations disbursed by the Paying Agent or Trustee from proceeds of the Policy shall not be considered to discharge the obligation of the University with respect to such Insured Obligations, and Insurer shall become the owner of such unpaid Insured Obligations and claims for the interest in accordance with the tenor of the assignment made to it under the provisions of the preceding paragraphs or otherwise. The Security Documents shall not be discharged or terminated unless all amounts due or to become due to Insurer have been paid in full or duly provided for. Irrespective of whether any such assignment is executed and delivered, the University, and the Paying Agent and Trustee agree for the benefit of Insurer that:

(i) they recognize that to the extent Insurer makes payments directly or indirectly (*e.g.*, by paying through the Paying Agent or Trustee), on account of principal of or interest on the Insured Obligations, Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the University, with interest thereon, as provided and solely from the sources stated in the Security Documents and the Insured Obligations; and

(ii) they will accordingly pay to Insurer the amount of such principal and interest, with interest thereon as provided in the transaction documents and the Insured Obligations, but only from the sources and in the manner provided therein for the payment of principal of and interest on the Insured Obligations to holders, and will otherwise treat Insurer as the owner of such rights to the amount of such principal and interest.

(g) Additional Payments.

The University agrees unconditionally that it will pay or reimburse Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that Insurer may pay or incur, including, but not limited to, fees and expenses of Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Security Documents ("Administrative Costs"). For purposes of the foregoing, costs and expenses shall include a reasonable allocation of compensation and overhead attributable to the time of employees of Insurer spent in connection with the actions described in the preceding sentence. The University agrees that failure to pay any Administrative Costs on a timely basis will result in the accrual of interest on the unpaid amount at the Late Payment Rate, compounded semi-annually, from the date that payment is first due to Insurer until the date Insurer is paid in full.

Notwithstanding anything herein to the contrary, the University agrees to pay to Insurer (i) a sum equal to the total of all amounts paid by Insurer under the Policy ("Insurer Policy Payment"); and (ii) interest on such Insurer Policy Payments from the date paid by Insurer until payment thereof in full by the University, payable to Insurer at the Late Payment Rate per annum (collectively, "Insurer Reimbursement Amounts") compounded semi-annually. The University hereby covenants and agrees that the Insurer Reimbursement Amounts are payable from and secured by a lien on and pledge of the same revenues and other collateral pledged to the Insured Obligations on a parity with debt service due on the Insured Obligations.

(h) Exercise of Rights by Insurer.

The rights granted to Insurer under the Security Documents to request, consent to or direct any action are rights granted to Insurer in consideration of its issuance of the Policy. Any exercise by Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the holders of the Insured Obligations and such action does not evidence any position of Insurer, affirmative or negative, as to whether the consent of the holders of the Insured Obligations or any other person is required in addition to the consent of Insurer.

(i) Entitlement to Pay Debt Service.

Insurer shall be entitled to pay principal or interest on the Insured Obligations that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the University (as such terms are defined in the Policy) and any amounts due on the Insured Obligations as a result of acceleration of the maturity thereof in accordance with the Security Documents, whether or not Insurer has received a claim upon the Policy.

(j) No Contract.

No contract shall be entered into or any action taken by which the rights of Insurer or security for or source of payment of the Insured Obligations may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of Insurer. Notwithstanding the foregoing, the University may, without the consent of the Insurer, (i) issue Additional Bonds pursuant to the terms of the Indenture on a parity of lien with the Outstanding Bonds and any Additional Bonds outstanding under the Indenture, and (ii) enter into contracts and incur indebtedness (a) that are not secured by a lien on or pledge of Pledge Revenues or (b) with a lien on or pledge of Pledged Revenues that is junior and subordinate to the lien and pledge of the Pledged Revenues under the Indenture.

(k) Definitions.

For purposes of this Article IV, the following terms have the following meanings:

"Insurer" shall mean Build America Mutual Assurance Company, or any successor thereto.

"Insured Obligations" shall mean those of the Series 2021 Bonds maturing on April 1 in the years 2024 through 2041, inclusive.

"Late Payment Rate" means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (ii) the then applicable highest rate of interest on the Insured Obligations and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as Insurer, in its sole and absolute discretion, shall designate. Interest at the Late Payment Rate on any amount owing to Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days.

"Policy" shall mean the Municipal Bond Insurance Policy issued by Insurer that guarantees the scheduled payment of principal of and interest on the Insured Obligations when due.

"Security Documents" shall mean the Indenture.

ARTICLE IV
MISCELLANEOUS

Section 4.1 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 2021 Bonds. 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 2021 Bonds. With respect to any question arising under this Section 5.1, the University may rely upon an opinion of nationally recognized bond counsel acceptable to it.

(b) Series 2021 Bonds not to be "Private Activity Bonds".

The University will not apply the proceeds of the Series 2021 Bonds in any manner that would cause the Series 2021 Bonds to be "private activity bonds" 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 2021 Bonds from being considered "arbitrage bonds" within the meaning of Section 148 of the Code.

(d) Provisions Respecting Registration of Series 2021 Bonds to Comply with Provisions of Code.

The University and the Trustee recognize that the provisions of the Code require that the Series 2021 Bonds be in "registered form" and that, in general, the Series 2021 Bonds must be registered as to both principal and interest and any transfer of the Series 2021 Bonds 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 2021 Bonds.

Section 4.2 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.

Section 4.3 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 4.4 Construction of Eighteenth Supplemental University Facilities Revenue Trust Indenture**.**

No provisions of this Eighteenth 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 Eighteenth 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 Holders of any Series 2021 Bonds.

Section 4.5 Severability**.**

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

Section 4.6 No Broker Confirmations**.**

The University agrees that broker confirmations of investments in connection with the Series 2021 Bonds are not required to be issued by the Trustee for each month in which a monthly statement is rendered or made available by the Trustee.

Section 4.7 Electronic Communications**.**

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

[Signature page follows]

IN WITNESS WHEREOF, the University and the Trustee have each caused this Eighteenth Supplemental University Facilities Revenue Trust Indenture to be executed in its name and behalf by an authorized officer thereof, have caused its corporate seal to be hereunto affixed, and have caused this Eighteenth Supplemental University Facilities Revenue Trust Indenture to be dated March 10, 2021.

UNIVERSITY OF SOUTH ALABAMA

By:____________________________________
President

[SEAL]

Attest:

____
Secretary
Board of Trustees

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

By:____________________________________

Its: ____________________________________

[SEAL]

Attest:

By: ____________________________________

Its:____________________________________

STATE OF ALABAMA)

COUNTY OF MOBILE)

I, ____ a Notary Public in and for said county in said state, hereby certify that Tony 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 ____ day of March, 2021.

[NOTARIAL SEAL] ____________________________________

Notary Public

STATE OF ALABAMA)

COUNTY OF JEFFERSON)

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

GIVEN under my hand and official seal of office, this ____ day of March, 2021.

[NOTARIAL SEAL] ________________________________
Notary Public

EXHIBIT A

Specimen Municipal Bond Insurance Policy

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER] Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: $_________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on] Effective Date: ________

Risk Premium: $_________
Member Surplus Contribution: $ ________
Total Insurance Payment: $________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
200 Liberty Street, 27th floor
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

EXHIBIT II

BOND PURCHASE AGREEMENT

UNIVERSITY OF SOUTH ALABAMA

UNIVERSITY FACILITIES REVENUE BONDS,
SERIES 2021

BOND PURCHASE AGREEMENT

February 25, 2021

University of South Alabama
Mobile, Alabama

Ladies and Gentlemen:

Raymond James & Associates, Inc. (the "Representative"), for itself and on behalf of the firms listed on Exhibit A attached hereto (collectively, the "Underwriters"), offers to enter into the following agreement (this "Bond Purchase Agreement") with University of South Alabama (the "University"), which upon the University's acceptance of this offer, will be binding upon the Underwriters and upon the University. This offer is made subject to the University's acceptance on or before 2:00 p.m., Mobile, Alabama time, on February 25, 2021, and if not so accepted, will be subject to withdrawal by the Representative upon notice to the University at any time prior to the acceptance hereof by the University.

1. **Purchase and Sale.** Upon the terms and conditions and upon the basis of the representations and agreements set forth herein, the Underwriters hereby agree to purchase from the University for offering to the public and the University hereby agrees to sell and deliver to the Underwriters for such purpose, all of the University's $40,555,000 University Facilities Revenue Bonds, Series 2021 (the "Series 2021 Bonds"). The Series 2021 Bonds shall be dated their date of initial delivery and shall be issued in such principal amounts, mature on such dates, bear such rates of interest and be subject to redemption as set forth in Exhibit B attached hereto. Interest on the Series 2021 Bonds shall be payable on April 1 and October 1 in each year to maturity or earlier redemption, commencing October 1, 2021. The Series 2021 Bonds shall be paid for by the Underwriters by wire transfer on the Closing Date (as hereinafter defined) at the purchase price of $50,372,096.70 (which takes into account original issue premium of $9,980,040.45 and an Underwriters' discount of $162,943.75). The Series 2021 Bonds shall be issued pursuant to the Constitution and the laws of the State of Alabama, and pursuant to the provisions of a University Facilities Revenue Trust Indenture, dated as of February 15, 1996, between the University and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as previously supplemented and as further supplemented by an Eighteenth Supplemental University Facilities Revenue Trust Indenture to be dated the date of the Series 2021 Bonds (as so supplemented, the "Indenture"). The Series 2021 Bonds are being issued for the purposes of (i) paying the costs of certain capital improvements on the campus of the University; (ii) paying the costs and

expenses of issuing the Series 2021 Bonds; and (iii) paying the premium for a financial guaranty insurance policy with respect to certain of the Series 2021 Bonds. The Series 2021 Bonds are limited obligations of the University, payable solely from, and secured by a pledge of, the "Pledged Revenues," as more fully described in the Preliminary Official Statement described below.

2. **Offering.** Subject to the terms and conditions set forth herein, the Underwriters agree to make a public offering of the Series 2021 Bonds at the initial offering prices or yields and subject to the redemption terms set forth in Exhibit B attached hereto prior to 1:00 p.m. on the Closing Date; provided, however, the Underwriters reserve the right to change such initial offering prices or yields as the Underwriters shall deem necessary in connection with the marketing of the Series 2021 Bonds and to offer and sell the Series 2021 Bonds to certain dealers (including dealers depositing the Series 2021 Bonds into investment trusts) and others at prices lower than the initial offering prices or higher yields than set forth on the inside cover page of the Official Statement (as hereinafter defined).

It shall be a condition of the University's obligation to sell and deliver the Series 2021 Bonds to the Underwriters, and the obligation of the Underwriters to purchase and accept delivery of the Series 2021 Bonds, that the entire aggregate initial principal amount of the Series 2021 Bonds shall be sold and delivered by the University and accepted and paid for by the Underwriters on the Closing Date on the terms herein provided unless otherwise agreed to by the University by formal official action and by the Representative in writing.

3. **Official Statement and Other Documents.** The University hereby ratifies the use and distribution of the Preliminary Official Statement with respect to the Series 2021 Bonds, dated February 17, 2021 (the "Preliminary Official Statement"), and certifies that the Preliminary Official Statement, as of its date, was deemed final by the University for purposes of Rule 15c2-12 ("Rule 15c2-12") of the Securities and Exchange Commission (the "SEC"), except for the omission of certain information permitted by Rule 15c2-12.

The final Official Statement with respect to the Series 2021 Bonds (the "Official Statement") shall be provided for distribution, at the expense of the University, in such quantity as may be requested by the Underwriters no later than the earlier of (i) seven (7) business days after the date of this Bond Purchase Agreement or (ii) one (1) business day prior to the Closing Date, in order to permit the Underwriters to comply with Rule 15c2-12, and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"), with respect to distribution of the Official Statement. The University shall prepare the Official Statement, including any amendments thereto, in word-searchable PDF format as described in the MSRB's Rule G-32 and shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriters no later than one (1) business day prior to the Closing Date to enable the Underwriters to comply with MSRB Rule G-32.

The Underwriters agree to file the Official Statement with the MSRB as required by the applicable SEC or MSRB Rule. The filing with the MSRB shall be in accordance with the procedures of the Electronic Municipal Market Access System ("EMMA").

The Underwriters agree that they will not confirm the sale of any Series 2021 Bonds unless a final written confirmation of the sale is accompanied or preceded by the delivery of a copy of the Official Statement, either directly or by notice that it is available through EMMA.

In order to assist the Underwriter in complying with Rule 15c2-12, the University has covenanted for the benefit of the owners of the Series 2021 Bonds to provide certain financial and operating information on an annual basis and to provide notices of the occurrence of certain events within ten (10) business days of their occurrence, all pursuant to a Continuing Disclosure Agreement, dated the date of the Series 2021 Bonds (the "Continuing Disclosure Agreement").

4. **Representations and Agreements.** The University hereby represents and agrees as follows:

(a) The University is duly created and existing under the constitution and laws of the State of Alabama.

(b) Except for the statements and information contained under the captions "BOND INSURANCE," "RATINGS," "FINANCIAL ADVISOR" and "UNDERWRITING" and in Appendix D – DTC PROCEDURES (collectively, the "Excluded Sections"), the statements and information contained in the Preliminary Official Statement, as of its date and as of the Closing Date, and in the Official Statement, as of the date hereof and as of the Closing Date, were and will be true and correct in all material respects and did not and will not contain any misstatement of any material fact and did not and will not omit any statement and information that is necessary to make the statements and information contained therein not misleading in any material respect.

(c) The University has full legal right, power and authority to: (i) enter into this Bond Purchase Agreement, (ii) execute and deliver the Eighteenth Supplemental University Facilities Revenue Trust Indenture, the Continuing Disclosure Agreement, the Tax Certificate and Agreement (as hereinafter defined) and such other documents as shall be contemplated hereby and thereby for execution by the University (collectively, the "University Documents"), (iii) sell, issue and deliver the Series 2021 Bonds to the Underwriters as provided herein, and (iv) carry out and consummate the obligations and transactions contemplated by this Bond Purchase Agreement, the University Documents and the Official Statement, and on the Closing Date will be in compliance with the obligations on its part in connection with the issuance of the Series 2021 Bonds contained in the Indenture, the University Documents, the Series 2021 Bonds and this Bond Purchase Agreement.

(d) The University is not now, and will not on the Closing Date be, in breach of or in default under any law, judgement, decree, order, regulation, agreement, indenture, mortgage, lease, sublease or other instrument to which it is a party or by which it is bound, and no event has occurred or is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, except in either case for such breaches, defaults, or potential defaults or events of default, if any, which individually or in the aggregate would have no material adverse effect on the performance by the University under this Bond Purchase Agreement, the Indenture, the University Documents or the Series 2021 Bonds.

(e) The financial statements included as Appendix A to the Preliminary Official Statement and the Official Statement present fairly, in all material respects, the financial position and results of operations of the University.

(f) When delivered to and paid for by the Underwriters on the Closing Date in accordance with the provisions of this Bond Purchase Agreement, the Series 2021 Bonds will have been duly authorized, executed, issued and delivered and will constitute valid and limited obligations of the University, payable from Pledged Revenues.

(g) The University has neither encumbered nor made a prior pledge of the Pledged Revenues other than to the holders of the Bonds heretofore issued under the terms of the Indenture.

(h) The adoption of the Authorizing Resolution and the authorization, execution and delivery of this Bond Purchase Agreement, the University Documents and compliance with the provisions hereof and thereof, and issuance of the Series 2021 Bonds, will not conflict with, or constitute a breach of or default under, any law, administrative regulation, consent decree or resolution.

(i) On the Closing Date, the University will be in compliance in all respects with the covenants and agreements contained in the Indenture.

(j) All approvals, consents, authorizations and orders of any governmental authority or agency having jurisdiction in any matter which would constitute a condition precedent to the issuance of the Series 2021 Bonds, the performance by the University of its obligations hereunder and under the Indenture and the distribution of the Preliminary Official Statement and the execution, delivery and distribution of the Official Statement have been obtained and are in full force and effect, except for such approvals, consents and orders as may be required under the Blue Sky or securities law of any state in connection with the offering and sale of the Series 2021 Bonds or in connection with the registration of the Series 2021 Bonds under the federal securities laws.

(k) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body pending with respect to which service or notice on the University has been perfected or given or, to the best knowledge of the University, threatened against or affecting the University, which would (i) restrain or enjoin the issuance or delivery of the Series 2021 Bonds or the collection of Pledged Revenues, (ii) in any way contest or affect any authority for the issuance of the Series 2021 Bonds or the validity, due authorization and execution of the Series 2021 Bonds, the University Documents or this Bond Purchase Agreement, (iii) limit, enjoin or prevent the University from paying the debt service on the Series 2021 Bonds as and when due, or (iv) in any way contest the corporate existence or powers of the University;

(l) During the period from the date hereof to and including a date which is 25 days following "the end of the underwriting period" (as hereinafter defined) for the Series 2021 Bonds:

(1) the University will not adopt any amendment of or supplement to the Official Statement to which, after having been furnished with a copy, the Underwriter shall reasonably object in writing, unless the University has obtained an opinion of counsel stating that such amendment or supplement is necessary in order to make the Official Statement as then supplemented or amended, not contain any untrue statement of a material fact or not omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading at the time that they are delivered to a purchaser of a Series 2021 Bond;

(2) if any event relating to or affecting the University or the Series 2021 Bonds shall occur which would or might cause the information contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the University shall so notify the Representative, and, if as a result of which it is necessary in the opinion of the University or counsel to the Underwriters to amend or supplement the Official Statement in order to make the Official Statement not misleading, the University shall forthwith prepare and furnish to the Underwriters (at the expense of the University) a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to the Underwriters and the University) which will amend or supplement the Official Statement so that such Official Statement, as amended or supplemented, will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein not misleading in any material respect;

(3) for the purpose of this section, the University will furnish to the Underwriters through the end of the underwriting period such information to confirm the truth, accuracy and completeness of the statements and information contained in the Official Statement as the Underwriters may from time to time reasonably request. The "end of the underwriting period" for purposes of Rule 15c2-12 shall mean the Closing Date unless the Representative notifies the University in writing, on or prior to the Closing Date, that the Closing Date will not be the "end of the underwriting

period." In the event such notice is given in writing by the Representative to the University, the "end of the underwriting period" for the Series 2021 Bonds as used in this Bond Purchase Agreement shall mean the earlier to occur of (i) 65 days after the Closing Date or (ii) the date on which the Underwriters no longer have any of the Series 2021 Bonds for sale to the public.

(m) The University shall cooperate with the Underwriters and their counsel in any endeavor to qualify the Series 2021 Bonds for offering and sale under the securities laws of such jurisdictions of the United States of America as the Underwriters may request and to continue such qualifications in effect as long as may be required for the distribution of the Series 2021 Bonds; provided, however, the University shall not be required to consent to service of process in any such jurisdiction.

5. **Closing.** At 9:00 a.m., local time, on March 10, 2021, or at such time on such earlier or later date as shall be agreed upon by the University and the Representative (the "Closing Date"), the activities relating to the execution and delivery of certain documents and the delivery of the certificates, opinions and other instruments as described in Section 6(e) hereof shall occur at the offices of the University, 307 University Boulevard, Administrative Building, Mobile, Alabama, or such other location as shall be mutually agreed upon by the University and the Representative. Such simultaneous execution and delivery of such documents, certificates, opinions and other instruments are herein referred to as the "Closing." On the Closing Date:

(a) The University shall deliver to the Underwriters (i) the Series 2021 Bonds, duly authorized, executed and authenticated, and (ii) the other instruments and documents required to be delivered to the Underwriters pursuant to Section 6 hereof.

(b) The purchase price for the Series 2021 Bonds shall be paid to the University by wire transfer or by such other method as may be agreeable to the University and the Underwriters.

6. **Underwriters' Closing Conditions.** The Underwriters have entered into this Bond Purchase Agreement in reliance upon the representations of the University herein contained and the performance by the University of its obligations hereunder, both as of the date hereof and as of the Closing Date. The obligations of the Underwriters under this Bond Purchase Agreement are and shall be subject to the following conditions:

(a) The representations and agreements of the University contained herein shall be true and correct and complied with as of the date hereof and as of the Closing Date.

(b) At the time of the Closing, the Indenture shall be in full force and effect in accordance with its terms and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except to the extent that such amendments have been agreed to by the Underwriters.

(c) At the time of the Closing, the Board of Trustees of the University shall have adopted a resolution authorizing the issuance and sale of the Bonds, and all official action of the University relating to this Bond Purchase Agreement, the Indenture and the Series 2021 Bonds, and all other documents contemplated hereby and thereby, shall be in full force and effect in accordance with their respective terms and shall not have been amended, modified or supplemented in any material respect, except in each case as may have been agreed to by the Representative.

(d) At any time on or prior to the Closing Date, the Representative shall have the right to cancel the agreement contained herein to purchase the Series 2021 Bonds by notifying the University in writing of their intention to do so if between the date hereof and the Closing Date:

(i) legislation shall have been enacted by the Congress of the United States, or recommended to the Congress for passage by the President of the United States, or favorably reported for passage to either House of Congress by any Committee of such House, or passed by either House of Congress, or a decision shall have been rendered by a court of the United States or the United States Tax Court, or a ruling shall have been made or a regulation shall have been proposed or made by the Treasury Department of the United States or the Internal Revenue Service, with respect to the federal taxation of interest received on obligations of the general character of the Series 2021 Bonds, which, in the opinion of Counsel for the Underwriters or Bond Counsel, has or will have the effect of making such interest subject to inclusion in gross income for purposes of federal income taxation, except to the extent such interest shall be includable in gross income on the date hereof; or

(ii) legislation shall be enacted or any action shall be taken by the United States Securities and Exchange Commission which, in the opinion of Counsel for the Underwriters, has the effect of requiring the contemplated issuance or distribution of the Series 2021 Bonds to be registered under the Securities Act of 1933, as amended; or

(iii) in the opinion of the Representative, payment for and delivery of the Series 2021 Bonds is rendered impracticable or inadvisable because (A) trading in securities generally shall have been suspended on the New York Stock Exchange, Inc., or (B) a general banking moratorium shall have been established by federal, New York or Alabama authorities, or (C) there shall have occurred any outbreak of hostilities or other local, national or international calamity or crisis on the financial markets of the United States which, in the Representative's reasonable judgment, renders it impracticable for the Underwriters to market the Series 2021 Bonds or to enforce contracts for the sale of the Series 2021 Bonds; or

(iv) any order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, or any legislation enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Series 2021 Bonds as contemplated hereby or by the Official Statement or prohibiting the entering or performance of the Indenture; or

(v) the President of the United States, the Office of Management and Budget, the Department of Treasury, the Internal Revenue Service or any other governmental body, department, agency or commission of the United States or the State of Alabama shall take or propose to take any action or implement or propose regulations, rules or legislation which, in the reasonable judgment of the Representative, materially adversely affects the market price of the Series 2021 Bonds or causes any material information in the Official Statement, in light of the circumstances under which it appears, to be misleading in any material respect; or

(vi) any executive order shall be announced, or any legislation, ordinance, rule or regulation shall be proposed by or introduced in, or be enacted by any governmental body, department, agency or commission of the United States or the State of Alabama, having jurisdiction over the subject matter, or a decision by any court of competent jurisdiction within the United States or within the State of Alabama, shall be rendered which, in the reasonable judgment of the Representative, materially adversely affects the market price of the Series 2021 Bonds or causes any information in the Official Statement to be misleading in any material respect; or

(vii) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance, sale or delivery of the Series 2021 Bonds or in any way contesting or affecting any authority for or the validity of the Series 2021 Bonds, the Indenture or this Bond Purchase Agreement, or any of the proceedings of the University taken with respect to the issuance or sale of the Series 2021 Bonds or the execution of and performance of this Bond Purchase Agreement, the Indenture or the University Documents; or

(viii) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the University's obligations; or

(ix) the marketability of the Series 2021 Bonds or the market price thereof, in the opinion of the Representative, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or

(x) any event shall have occurred or shall exist which, in the reasonable opinion of the Representative, would cause the information contained in the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading as of such time and which would materially adversely affect the marketability of the Series 2021 Bonds; or

(xi) there shall have been any materially adverse change in the financial condition of the University that is not contemplated in the Official Statement, as then amended and supplemented, which in the reasonable opinion of the Representative, materially and adversely affects the market price or marketability of the Series 2021 Bonds;

(e) On or prior to the Closing Date, the Underwriters shall receive the following documents:

(i) the Official Statement, and any supplements, amendments or modifications, if any, thereto, executed on behalf of the University by the President or the Vice President for Finance and Administration of the University;

(ii) the Eighteenth University Facilities Revenue Trust Indenture, certified by the Secretary of the University under seal as having been duly executed by the President or the Vice President for Finance and Administration of the University and such modifications or amendments as may have been agreed to by the Underwriters;

(iii) a certified copy of the Authorizing Resolution;

(iv) an opinion of Bradley Arant Boult Cummings LLP, Birmingham, Alabama, Bond Counsel to the University ("Bond Counsel"), in substantially the form included in the Official Statement as Appendix B;

(v) a supplemental opinion of Bond Counsel in form and substance satisfactory to the Representative and Underwriter's Counsel;

(vi) an opinion of General Counsel to the University, addressed to Bond Counsel and the Underwriters, and dated the date of the Closing, in form and substance satisfactory to the Representative and Underwriter's Counsel;

(vii) an opinion of Hand Arendall LLC, as Counsel to the Underwriters, in form and substance satisfactory to the Underwriters;

(viii) A Tax Certificate and Agreement of the University (the "Tax Certificate and Agreement"), prepared by Bond Counsel and executed by an authorized officer of the University, dated as of the Closing Date, setting forth facts, estimates and circumstances concerning the use or application of the Series 2021 Bond proceeds, in form and substance satisfactory to Bond Counsel;

(ix) evidence of an underlying rating of (i) "A1" issued by Moody's Investors Service, Inc. with respect to the Series 2021 Bonds and (ii) "A+" by S&P Global Ratings with respect to the Series 2021 Bonds;

(x) the Continuing Disclosure Agreement executed by an authorized officer of the University;

(xi) A certificate of the University, dated the date of the Closing, signed by the President or the Vice President for Finance and Administration of the University and in form and substance satisfactory to the Representative and Underwriters' Counsel, to the effect that:

(1) since the date hereof no material and adverse change has occurred in the financial condition of the University or results of operations of the University, except as set forth in the Official Statement;

(2) the University has not, since September 30, 2020, incurred any material liabilities other than in the ordinary course of business or as set forth in the Official Statement;

(3) no litigation or proceeding is pending with respect to which service or notice on the University has been perfected or given or, to their knowledge, threatened which would (i) restrain or enjoin the issuance or delivery of the Series 2021 Bonds or the collection of Pledged Revenues, (ii) in any way contest or affect any authority for the issuance of the Series 2021 Bonds or the validity, due authorization and execution of the Series 2021 Bonds, the University Documents or this Bond Purchase Agreement, (iii) limit, enjoin or prevent the University from paying the debt service on the Series 2021 Bonds as and when due, or (iv) in any way contest the corporate existence or powers of the University;

(4) the Preliminary Official Statement (except for omissions permitted by Rule 15c2-12) did not as of its date and as of the date hereof does not, and the Official Statement, as of its date and at all times through the date of the Closing, will not, contain any misstatement of a material fact or omit to state any material fact required to be stated therein in order for the statements made therein, in the light of the circumstances under which they were made, not to be misleading;

(5) the representations of the University contained herein are true and correct in all material respects as of the date of the Closing, as if made on the date of the Closing; and

(6) none of the proceedings or authority for the execution and delivery of the Series 2021 Bonds and the transactions related thereto have been

modified, amended or repealed;

(xii) an insurance policy issued by Build America Mutual Assurance Company (the "Bond Insurer") guaranteeing the scheduled payment when due of the principal of and interest on those of the Series 2021 Bonds maturing in the year 2024 and thereafter (the "Insured Bonds");

(xiii) an opinion of counsel to the Bond Insurer, dated the date of Closing, in form and substance satisfactory to the Representative;

(xiv) evidence of a rating of "AA" by S&P Global Ratings with respect to the Insured Bonds; and

(xv) such additional legal opinions, consents, certificates, proceedings, instruments and other documents as the Underwriters, or counsel therefor or Bond Counsel may reasonably request to evidence compliance by the University with legal requirements, the truth and accuracy, as of the Closing Date, of the representations of the University herein and the due performance or satisfaction by the University at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the University.

If the University shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, accept delivery of and pay for the Series 2021 Bonds contained in this Bond Purchase Agreement and the Representative does not waive such inability in writing, or if the obligations of the Underwriters to purchase, accept delivery of and pay for the Series 2021 Bonds shall be terminated for any reason permitted by this Bond Purchase Agreement, including the exercise of the Representative's right to cancel this Bond Purchase Agreement as provided in Section 6(d) hereof, this Bond Purchase Agreement shall terminate and neither the Underwriters nor the University shall be under any further obligation hereunder, except that the respective obligations of the University and the Underwriters set forth in Section 8 hereof shall continue in full force and effect.

7. **Establishment of Issue Price.**

(a) The Representative, on behalf of the Underwriters, agrees to assist the University in establishing the issue price of the Series 2021 Bonds and shall execute and deliver to the University on the Closing Date an "issue price" or similar certificate substantially in the form attached hereto as Exhibit B, together with the supporting pricing wires or equivalent communications, and with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the University and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2021 Bonds.

(b) The University will treat the first price at which 10% of each maturity of the Series 2021 Bonds (the "10% test") is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test).

(c) The Representative confirms that the Underwriters have offered the Series 2021 Bonds to the public on or before the date of this Bond Purchase Agreement at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth for the Series 2021 Bonds in the final official statement.

(d) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2021 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2021 Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Series 2021 Bonds of that maturity or all Series 2021 Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Series 2021 Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2021 Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2021 Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Series 2021 Bonds of that maturity or all Series 2021 Bonds of that maturity have been sold to the public, and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(e) The Underwriters acknowledge that sales of any Series 2021 Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the University (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2021 Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2021 Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2021 Bonds to the public),

(iii) a purchaser of any of the Series 2021 Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date of execution of this Series 2021 Bond Purchase Agreement by all parties.

8. **Expenses**. The Underwriters shall be under no obligation to pay, and the University shall pay, any expense incident to the performance of the University's obligations hereunder including, but not limited to: (a) the cost of preparation, printing and delivery of the Series 2021 Bonds, the Eighteenth Supplement University Facilities Revenue Trust Indenture, this Bond Purchase Agreement and all other instruments, agreements and other documents contemplated thereby and hereby; (b) the costs of preparation and the fees and disbursements of Bond Counsel and other legal counsel to the University; (c) fees for bond ratings; (d) the fees and expenses of the Trustee; (e) the costs of preparing, printing and delivering the Official Statement and any supplements or amendments thereto; and (f) such other expenses as may be agreed to in writing at a later date.

The University shall reimburse the Underwriters for actual expenses incurred or paid for by the Underwriters on behalf of the University for the University's employees and representatives, including, but not limited to, transportation, lodging, and meals in connection with the marketing, issuance, and delivery of the Series 2021 Bonds; provided, however, that (i) reimbursement for such expenses shall not exceed an ordinary and reasonable amount for such expenses and (ii) such expenses are not related to the entertainment of any person and not prohibited from being reimbursed from the proceeds of an offering of municipal securities under MSRB Rule G-20. Such reimbursement may be in the form of inclusion in the expense component of the Underwriter's discount, or direct reimbursement as a cost of issuance.

The Underwriters shall pay: (a) all advertising expenses in connection with a public offering of the Series 2021 Bonds, (b) fees of the CUSIP Service Bureau, (c) all fees and disbursements of any counsel retained by the Underwriters, and (d) any fees of the MSRB or the Securities Industry and Financial Markets Association.

In the event that either party shall have paid obligations of the other as set forth in this Section 7, adjustment shall be made at the time of the Closing.

9. **Notices**. Any notice or other communications to be given to the University under this Bond Purchase Agreement may be given by mailing the same to University of South Alabama, Attention: Vice President for Finance and Administration, 307 University Boulevard, Administrative Building, Suite 170, Mobile, Alabama 36688, with a copy to Josh McCoy, PFM Financial Management Advisors LLC, 116 Jefferson Street South, Suite 301, Huntsville, Alabama 35801 and any such notice or other communication to be given to the Underwriters may be mailed to Raymond James & Associates, Inc., Attention: Chuck Ellingsworth, 50 N. Front Street, 16th Floor, Memphis, Tennessee 38103.

10. **Parties in Interest**. This Bond Purchase Agreement is made solely for the benefit of the University and the Underwriters and no other party or person shall acquire or have any right hereunder or by virtue hereof. All representations and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect and shall survive the delivery of the Series 2021 Bonds.

11. **Waiver**. Notwithstanding any provision herein to the contrary, the performance of any and all obligations of the University hereunder and the performance of any and all conditions contained herein for the benefit of the Underwriters may be waived by the Underwriters, in their sole discretion, and the approval of the Underwriters when required hereunder or the determination of their satisfaction as to any document referred to herein shall be in writing, signed by an appropriate officer or officers of the Underwriters and delivered to the University.

12. **Limitations of Liability**. The obligations of the University hereunder shall be limited obligations, and shall be payable only from Pledged Revenues or other funds legally available therefor. No officer, agent or employee of the University shall be charged personally by the Underwriters with any liability, or held liable to the Underwriters under any term or provision of this Bond Purchase Agreement because of its execution or attempted execution, or because of any breach or attempted breach thereof.

13. **Counterparts**. This Bond Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same document.

14. **Governing Law**. This Bond Purchase Agreement, and the terms and conditions herein, shall constitute the full and complete agreement between the University and the Underwriters with respect to the purchase and sale of the Series 2021 Bonds. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Alabama.

15. **No Advisory or Fiduciary Role**. The University acknowledges and agrees that: (i) the transactions contemplated by this Bond Purchase Agreement are arm's length, commercial transactions between the University and the Underwriters; (ii) in connection with such transaction, including the process leading thereto, the Underwriters are acting solely as principals and not as agents or a fiduciaries of the University; (iii) the Underwriters have neither assumed an advisory or fiduciary responsibility in favor of the University with respect to the offering of the Series 2021 Bonds or the process leading thereto (whether or not the Underwriters or any affiliate of any Underwriter has advised or is currently advising the University on other matters) nor has it assumed any other obligation to the University except the obligations expressly set forth in this Bond Purchase Agreement, (iv) the Underwriters have financial and other interests that differ from those of the University; and (v) the University has consulted with its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Series 2021 Bonds.

[Signature page follows.]

7032509_5

[Signature page for Bond Purchase Agreement.]

Very truly yours,

Raymond James & Associates, Inc.,
on behalf of itself and the other underwriters named herein

By: ________________________
As Its: Managing Director

Accepted this ____ day of February, 2021 at _____ a.m/p.m.

UNIVERSITY OF SOUTH ALABAMA

By:________________________

As its ________________________

[Signature page for Bond Purchase Agreement.]

Very truly yours,

Raymond James & Associates, Inc.,
on behalf of itself and the other underwriters
named herein

By: ______________________________
As Its: __________________________

Accepted this 25th day of February, 2021 at 2:00 ~~a.m/p.m~~ P.M.

UNIVERSITY OF SOUTH ALABAMA

By: G. Scott Weldon

As its Vice President for Finance & Administration

EXHIBIT A

UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Bonds, Series 2021

Underwriters

Raymond James & Associates, Inc.
Protective Securities
Wells Fargo Securities
PNC Capital Markets LLC

EXHIBIT B

UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Bonds, Series 2021

PRINCIPAL AMOUNTS, INTEREST RATES, YIELDS
AND REDEMPTION PROVISIONS

Maturity Schedule:

	Maturity Date	Amount	Rate	Yield	Price	
Uninsured Bonds						
	4/1/2022	1,175,000	4.000%	0.380%	103.819	
	4/1/2023	1,335,000	4.000%	0.520%	107.115	
Insured Bonds						
	4/1/2024	1,390,000	4.000%	0.620%	110.223	
	4/1/2025	1,445,000	4.000%	0.770%	112.880	
	4/1/2026	1,500,000	4.000%	0.930%	115.134	
	4/1/2027	1,560,000	5.000%	1.070%	122.993	
	4/1/2028	1,640,000	5.000%	1.240%	125.335	
	4/1/2029	1,720,000	5.000%	1.400%	127.342	
	4/1/2030	1,810,000	5.000%	1.550%	129.050	
	4/1/2031	1,900,000	5.000%	1.650%	130.929	
	4/1/2032	1,995,000	5.000%	1.730%	130.068	C
	4/1/2033	2,095,000	5.000%	1.790%	129.426	C
	4/1/2034	2,200,000	5.000%	1.860%	128.682	C
	4/1/2035	2,310,000	5.000%	1.910%	128.154	C
	4/1/2036	2,420,000	5.000%	1.930%	127.943	C
	4/1/2037	2,545,000	5.000%	1.970%	127.523	C
	4/1/2038	2,670,000	5.000%	2.010%	127.105	C
	4/1/2039	2,805,000	5.000%	2.050%	126.688	C
	4/1/2040	2,945,000	5.000%	2.080%	126.377	C
	4/1/2041	3,095,000	5.000%	2.120%	125.963	C

C=Priced to Call

Redemption Provisions:

Optional Redemption. Those of the Series 2021 Bonds having a stated maturity on April 1, 2032, and thereafter will be subject to redemption prior to their respective maturities, at the option of the University, as a whole or in part, on April 1, 2031, and on any date thereafter (and if in part, in such maturities as the University shall select, and if less than all of a single maturity is to be redeemed those to be redeemed to be selected by the Trustee by lot) at and for a redemption price with respect to each Series 2021 Bond (or principal portion thereof redeemed) equal to the par or face amount of each Series 2021 Bond redeemed plus accrued interest to the date fixed for redemption.

EXHIBIT C

UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Bonds, Series 2021

FORM OF ISSUE PRICE CERTIFICATE

Issue Price Certificate

This certificate is being delivered by Raymond James & Associates, Inc. (the "Representative") in connection with the issuance by the University of South Alabama (the "University") of its $40,555,000 University Facilities Revenue Bonds, Series 2021 (the "Series 2021 Bonds"). The Series 2021 Bonds have been purchased from the University by the underwriters (the "Underwriters") identified in the Bond Purchase Agreement dated February 25, 2021 (the "Bond Purchase Agreement") between the University and the Representative, on behalf of the Underwriters. Capitalized terms not otherwise defined in this certificate have the meaning assigned in the Bond Purchase Agreement.

The Representative, on behalf of the Underwriters, hereby certifies with respect to the sale and issuance of the Series 2020 Bonds:

1. **Pricing Wire.** Attached to this certificate as ***Appendix 1*** is the pricing wire or equivalent communication establishing the Initial Offering Prices of the Series 2020 Bonds as of the Sale Date. The offering prices in the pricing wire are the same as the Initial Offering Prices identified in Exhibit A to the Bond Purchase Agreement.

2. **Offering at the Initial Offering Prices.** The Underwriters offered the Series 2020 Bonds to the Public for purchase at the Initial Offering Prices identified in Exhibit A to the Bond Purchase Agreement.

3. **Sale of the General Rule Maturities.** Exhibit A to the Bond Purchase Agreement correctly identifies each Maturity of the Series 2021 Bonds for which the 10% Test was satisfied as of the Sale Date.

4. **Defined Terms.** In addition to the terms defined elsewhere in this certificate, the following definitions apply for purposes of this certificate:

(a) *General Rule Maturity* means each Maturity of the Series 2021 Bonds identified in Exhibit A to the Bond Purchase Agreement for which the 10% test was satisfied as of the Sale Date.

(b) *Hold-the-Issue-Price Maturity* means each Maturity of the Series 2021 Bonds identified in Exhibit A to the Bond Purchase Agreement for which the 10% test was not satisfied as of the Sale Date.

(c) *Holding Period* means, with respect to a Hold-the-Issue-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of business on the fifth business day after the Sale Date or (ii) the date on which the Underwriters sold at least 10% of such Hold-the-Issue-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Issue-Price Maturity.

(d) *Maturity*, when used with respect to the Series 2021 Bonds, means Series 2021 Bonds with the same credit and payments terms. Series 2021 Bonds with different maturity dates, or Series 2021 Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to the Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the date of execution of the Bond Purchase Agreement by all parties.

(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the University (or with the lead underwriter for form an underwriting syndicate) to participate in the initial sale of the Series 2021 Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly of indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Series 2021 Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Series 2021 Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The Representative understands that the forgoing information will be relied upon the University with respect to certain of the representations set forth in the Tax Certificate and Agreement executed by them and with respect to compliance with the federal income tax rules affecting the Series 2021 Bonds, and by bond counsel (Bradley Arant Boult Cummings, L.L.P.) in connection with rendering its opinion that interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes, the preparation of Form 8038-G, and other federal income tax advice that it may give to the University from time to time relating to the Series 2021 Bonds.

Dated: March ___, 2021

Raymond James & Associates, Inc,
as Representative of the Underwriters

By: ______________________________
(signature)

Name: ______________________________
(print name)

Title: ______________________________

EXHIBIT III
PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 17, 2021

RATINGS:

	Underlying	Bond Insurance Applied For[1]
Moody's:	**A1**	**[_]**
S&P:	**A+**	**[_]**

NEW ISSUE - BOOK-ENTRY ONLY ***See* "RATINGS" herein**

In the opinion of Bond Counsel to the University, under existing law and assuming the accuracy of certain representations and certifications and compliance by the University with certain tax covenants, interest on the Series 2021 Bonds will be excluded from gross income for federal income tax purposes. Bond Counsel to the University is of the further opinion that, under existing law, interest on the Series 2021 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See "TAX MATTERS" herein for further information and certain other federal tax consequences arising with respect to the Series 2021 Bonds. Bond Counsel to the University is also of the opinion that, under existing law, interest on the Series 2021 Bonds is exempt from Alabama income taxation.

University of South Alabama
$39,970,000*
University Facilities Revenue Bonds
Series 2021

Dated: Date of Delivery **Due: April 1, as shown on inside cover**

FOR MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIPS, SEE INSIDE COVER

The $39,970,000* University Facilities Revenue Bonds, Series 2021 (the "Series 2021 Bonds") will be issued as fully registered bonds without coupons in denominations of $5,000 and any integral multiple thereof pursuant to a book-entry only system to be administered by The Depository Trust Company ("DTC") and, when issued, will be registered in the name of and held by Cede & Co., as nominee. Purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry form only and purchasers of a beneficial interest in the Series 2021 Bonds ("Beneficial Owners") will not receive physical delivery of the certificates representing their interests in the Series 2021 Bonds. The principal of and interest on the Series 2021 Bonds will be paid directly to DTC, so long as DTC or its nominee is the registered owner of the Series 2021 Bonds. The final disbursements of such payments to the Beneficial Owners of the Series 2021 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, all as defined and more fully described in this Official Statement under the caption "THE SERIES 2021 BONDS - General Description" and in Appendix D hereto.

The Series 2021 Bonds are being issued by the University of South Alabama (the "University") pursuant to that certain University Facilities Revenue Trust Indenture between The Bank of New York Mellon Trust Company, N.A., as trustee, and the University dated as of February 15, 1996 (as heretofore supplemented and amended and as further supplemented and amended by an Eighteenth Seventeenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Series 2021 Bonds, the "Indenture") to (i) pay the costs of various capital improvements at the University hereafter described as the "2021 Improvements", and (ii) pay the costs of issuing the Series 2021 Bonds. The principal of and interest on the Series 2021 Bonds are limited obligations of the University payable from and secured solely by the Pledged Revenues, as defined and further described herein.

Certain Series 2021 Bonds are subject to redemption prior to maturity on such terms and as more fully described herein.

The Series 2021 Bonds are not obligations or debts of the State of Alabama (the "State") nor will any principal of or interest on the Series 2021 Bonds be paid out of any moneys provided for or appropriated to the University by the State of Alabama. The Series 2021 Bonds are special and limited obligations of the University, secured by a pledge of and payable solely from certain fees and revenues of the University as described herein and in the Indenture. Neither the Series 2021 Bonds nor the pledge of the said fees and revenues and other agreements provided in the Indenture shall be or constitute a general obligation of the University or an obligation of any nature whatsoever of the State, or be payable out of any moneys appropriated by the State to the University.

The Series 2021 Bonds are offered when, as and if issued by the University and received by the Underwriters, subject to prior sale, to withdrawal or modifications of the offer without notice, and to the approval of legality of the Series 2021 Bonds by Bradley Arant Boult Cummings LLP, Bond Counsel to the University. Hand Arendall Harrison Sale LLC, Mobile, Alabama, will render an opinion on behalf of the Underwriters. It is expected that the Series 2021 Bonds in definitive form will be available for delivery through DTC on or about ___________, 2021.

RAYMOND JAMES

HANCOCK WHITNEY INVESTMENT SERVICES

SECURITIES CAPITAL

THE FRAZER LANIER COMPANY INCORPORATED

____

[1] The University has applied for, but has not yet received pricing quotes respecting, municipal bond insurance for the Series 2021 Bonds. It is uncertain as of the time of the circulation of this Preliminary Official Statement whether such insurance will be obtained for any of the Series 2021 Bonds. Prospective investors should assume no municipal bond insurance will be obtained for any of the Series 2021 Bonds.

* Preliminary; subject to change.

MATURITIES, AMOUNTS, RATES, YIELDS & CUSIPS

$39,970,000*
UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Bonds
Series 2021

Maturity (April 1)	Principal Amount*	Interest Rate	Yield	CUSIPs[(1)]
2022	$1,090,000			
2023	1,270,000			
2024	1,340,000			
2025	1,405,000			
2026	1,470,000			
2027	1,550,000			
2028	1,625,000			
2029	1,705,000			
2030	1,790,000			
2031	1,885,000			
2032	1,980,000			
2033	2,075,000			
2034	2,180,000			
2035	2,285,000			
2036	2,400,000			
2037	2,520,000			
2038	2,645,000			
2039	2,780,000			
2040	2,915,000			
2041	3,060,000			

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* Preliminary; subject to change.

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the University and are included solely for the convenience of the registered owners of the Series 2021 Bonds. The University and the Underwriters are not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness by the University on the Series 2021 Bonds and by the Underwriters on the Series 2021 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2021 Bonds.

UNIVERSITY OF SOUTH ALABAMA

PRESIDENT
Dr. Tony G. Waldrop

VICE PRESIDENT FOR FINANCE AND ADMINISTRATION
G. Scott Weldon

BOND COUNSEL
Bradley Arant Boult Cummings LLP
Birmingham, Alabama

FINANCIAL ADVISOR
PFM Financial Advisors LLC
Huntsville, Alabama

UNDERWRITERS
Raymond James & Associates, Inc.
Hancock Whitney Investment Services Inc.
Securities Capital Corporation
The Frazer Lanier Company Incorporated

COUNSEL TO UNDERWRITERS
Hand Arendall Harrison Sale LLC
Mobile, Alabama

Certain information contained in or incorporated by reference in this Official Statement has been obtained by the University from DTC and other sources that are deemed reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information by the Underwriters or the University.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Underwriters. This Official Statement is being used in connection with the sale of securities as referred to herein and may not be used, in whole or in part, for any other purpose. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

No dealer, broker, salesperson or any other person has been authorized by the University or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the inside cover page, nor shall there be any offer to sell, solicitation of an offer to buy or sale of such securities in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Series 2021 Bonds.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information based on the University's beliefs as well as assumptions made by and information currently available to the University. *See* "FORWARD LOOKING STATEMENTS" herein.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2021 BONDS AT A LEVEL ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC rule 15c2-12.

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OFFICIAL STATEMENT

pertaining to

UNIVERSITY OF SOUTH ALABAMA

$39,970,000[*]
University Facilities Revenue Bonds
Series 2021

INTRODUCTORY STATEMENT

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to provide information in connection with the issuance by the University of South Alabama of the above-referenced Series 2021 Bonds (the "Series 2021 Bonds"), dated their date of initial delivery and issued as additional parity bonds under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, between the University of South Alabama and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as previously supplemented and amended (the "Base Indenture") and as further supplemented and amended by an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Series 2021 Bonds (the Base Indenture, as so supplemented and amended, the "Indenture").

Definitions of certain words and terms having initial capital letters used herein are defined in the Indenture or in the instrument or document in the description of which such word or term is used. Reference is hereby made to the full text of the documents and instruments briefly described herein which may be obtained from the Underwriters or from the University during the period of the offering.

The Governor, the State Superintendent of Education and the appointed trustees together constitute a public body corporate under the name University of South Alabama (the "University"). The University is located in the City of Mobile, Alabama.

Purpose of the Issue

Proceeds of the Series 2021 Bonds will be applied: to pay the costs of (i) certain public capital improvements on the campus of the University consisting of improvements and assets to increase capacity within USA Health, a division of the University, including without limitation a new medical office building, operating room expansion and pediatric emergency room construction, and other improvements and assets, and (ii) public roadway improvements, sidewalk improvements, retention pond improvements, utility improvements, and other public capital improvements, equipment and assets for the University (herein collectively called the "2021 Improvements"). Proceeds will also be used to pay the costs of issuing the Series 2021 Bonds.

Proceeds from the sale of the Series 2021 Bonds to pay the costs of the 2021 Improvements will be held in one or more special funds established by the University (the "2021 Improvements Construction Fund").

Security

The Series 2021 Bonds are limited obligations of the University payable from, and secured solely by a pledge of, the Pledged Revenues, as more fully described below under "SECURITY AND SOURCE OF PAYMENT - Sources of Payment and Pledged Revenues." The Pledged Revenues include a pledge of the General Fees levied against students enrolled at the University and any additional fees and revenues that may in the future be subjected to the lien of the Indenture pursuant to a Supplemental Indenture, a pledge of the gross revenues derived from certain auxiliary enterprises services furnished by the University, and 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 & Women's Hospital, each as described herein. *See* "SECURITY AND SOURCE OF PAYMENT - Sources of Payment and Pledged Revenues."

The Series 2021 Bonds will not constitute a charge against the general credit of the University and will not be payable from moneys appropriated to the University by the State of Alabama. The University has no taxing power. The State of Alabama will not be liable in any manner for the payment of the principal and interest on the Series 2021 Bonds. Holders of the Series 2021 Bonds shall never have the right to demand payment of the Series 2021 Bonds from the University from any source other than the special funds established under the Indenture and the Pledged Revenues and shall be entitled to payment from such sources only on a parity basis with all other bonds outstanding under the Indenture.

Existing and Additional Parity Bonds

The Indenture permits the University to issue additional bonds that will be secured by and be payable from Pledged Revenues on parity of lien with the Outstanding Bonds (defined below), the Series 2021 Bonds and any Additional Bonds (defined below) issued hereafter. For a description of the Outstanding Bonds (i.e., Bonds already outstanding under the Indenture that are secured by and payable from Pledged Revenues on parity of lien with the Series 2021 Bonds), *See* "SECURITY AND SOURCE OF PAYMENT – General." For a description of the terms of the Indenture for the issuance of Additional Bonds in the future, *See* "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Additional Bonds."

THE COVID-19 PANDEMIC

General

Background. The spread in early 2020 of the novel coronavirus and the disease it causes named "coronavirus disease 2019" (abbreviated "COVID-19"), along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on travel, commerce and financial markets globally, and has adversely affected economic growth worldwide. COVID-19 has negatively impacted, and is expected to continue to negatively impact, national, state and local economies, most private and public industries, and institutions of higher education like the University. The extent to which COVID-19 impacts the University's financial condition, the receipt of Pledged Revenues or the University's ratings will depend on future developments, some of which are not within the University's control. No assurances can be given that other pandemic events will not occur in the future. The nature, extent and impact of such events on the University cannot be predicted with certainty, but it is possible they could have a material adverse impact on the University's financial condition, the receipt of Pledged Revenues or the University's ratings.

Proclamations and Orders. On March 13, 2020, President Trump declared a national emergency under the National Emergencies Act. On the same day, Governor Kay Ivey declared a state public health emergency due to COVID-19 and subsequently issued supplemental state of emergency proclamations in place as of the date of this Official Statement. The Governor and the State Health Officer have also issued a series of orders to address the spread of COVID-19, including orders that (i) every person in the state stay at his or her place of residence except to perform certain essential activities, (ii) required closure of certain non-essential businesses, (iii) essential businesses must comply with certain social distancing and sanitation requirements, (iv) prohibited non-work related gatherings of 10 or more persons, and non-work related gatherings of any size that cannot maintain a consistent six-foot distance between persons and (v) closed all beaches in the state. In-person instruction or classes at all schools, public and private, including elementary, secondary, postsecondary, technical or specialty schools, and colleges and universities, were prohibited starting March 20, 2020. Subsequent orders lifted some of the restrictions on business, education, social and other activities – including the prohibition on in-person instruction at all schools. Such measures have had, and will continue to have, a materially negative impact on national, state and local economies, including without limitation the University and the economy of the areas surrounding it.

Additional orders addressing the spread of COVID-19 in the state, or addressing the impact of new strains of that virus or similar viruses, may be issued by the Governor, the State Health Officer, or others in the future. Such orders may, among other things, add additional restrictions on in-person operations or activities in the state, extend existing restrictions or continue the process of easing restrictions. This could include restrictions on in-person instruction or classes at public and private colleges and universities, such as the University. The University is unable to predict the ultimate duration or impact of any present or future COVID-19-related orders or similar restrictions.

Uncertainty as to Future Impact. The implications of COVID-19 are continually changing. While vaccines to treat COVID-19 have been produced by major pharmaceutical companies and are being administered throughout the United States and other parts of the world, such vaccines are not expected to be universally available until much later this year, and the long-term effectiveness of such vaccines are unknown. It is also not certain that such vaccines will be effective against new strains of the virus, which are starting to emerge in other parts of the world.

The University cannot predict with reasonable certainty the range of impacts, or the magnitude of the impacts, of the pandemic (and of any potential future pandemics or similar responses to COVID-19 and COVID-19 related viruses) on the University, including the impact on the receipt of Pledged Revenues. The financial impacts could be adverse and meaningful, and could have a long-term duration; resulting in material reductions in the amount of Pledged Revenues received by the University.

University Operations

General Impact. The outbreak of COVID-19 has affected travel, commerce and financial markets globally, in the United States, in the State of Alabama and with various public entities within the state such as the University. The University continues to assess the impact of COVID-19 on social interaction, travel, economies and financial markets, and the responsive measures related thereto, on its financial condition and operations, including the impact on general academic and educational activities and auxiliary enterprises and the revenues derived therefrom.

As noted above, in-person instruction or classes at all schools, including without limitation institutions of higher education like the University, was prohibited effective March 20, 2020. For the Spring 2020 term, delivery of all instruction was moved to an online format in March 2020 and required that students, where possible, vacate on-campus residence halls. All instruction for the May and Summer terms of 2020 was delivered online and residence calls remained largely closed.

Material Expenditures. As a result of the COVID-19 pandemic, the University refunded students $3,754,591.19 in housing and meal plan fees due to the shortened Spring 2020 semester (of which amount the University was reimbursed $3,604,534.53 from CARES Act funding). The University also provided financial support grants to students who were enrolled at the University during the Spring 2020 semester and impacted by the pandemic. These grants totaled approximately $5,700,000 and were funded in full by CARES Act funding. Additionally, there were certain other costs associated with moving course instruction online in the Spring of 2020 that were also covered by CARES Act funds.

Many elective surgeries and procedures at USA Health, a division of the University, were delayed during the Spring and early summer of 2020 due to the COVID-19 pandemic. This delay, however, did not have a material negative impact on the University or USA Health.

All other unreimbursed COVID-19 and pandemic response expenses of the University (including its division, USA Health) were not material.

Pandemic Response Plan. Shortly after declaration of the pandemic, the University undertook an extensive, proactive response to the COVID-19 pandemic. The University formed several committees and task forces to design policies and procedures to mitigate and respond to the challenges presented to the University and USA Health by COVID-19 and the resulting pandemic, and to help safeguard the financial posture of the University. The University's pandemic response has multiple facets and continues to evolve as the pandemic unfolds. Management took precautionary steps to enhance operational and financial flexibility and to react to the risks the COVID-19 pandemic presents to operations, including the following:

- Establishment of a campus-wide contact tracing office to minimize the spread of the virus and therefore minimize the financial impact on the University.

- As more particularly described below, establishment of a campus-wide reopening committee to address COVID-19 issues related to the reopening of campus, including the return of employees and students to an in-person environment.

- Revisions to the student housing model by increasing the number of single occupant rooms and creating an isolation facility within housing for students who become COVID-19 positive.

- Implementation of a temporary 4.50% pay reduction in lieu of a one-day per month unpaid furlough for most campus employees from May through August of 2020. (This unpaid furlough plan ultimately ended, and funds were returned to employees who remained employed at the time the funds were returned due to positive 2020 fiscal year financial results for the University.)

- Elimination of certain positions, mostly unfilled, in academic and administrative areas.

Fall 2020 Reopening. That portion of Governor Kay Ivey's order (described above) limiting in-person instruction or classes at schools and institutions of higher education such as the University was removed by the start of the Fall 2020 semester, and in anticipation of the same the University developed a comprehensive plan for safe and effective delivery of on-campus instruction. Primary highlights of the University's reopening plan include:

- Blended class attendance options to include an online component and some face-to-face instruction with social distancing.

- All students, faculty and staff required to complete a health screening form before returning to work, activities or classes on campus, and potential referral for testing if screening indicates issues or concerns.

- Employees and students regularly coming to campus required to complete a daily health screening via the University's online daily health verification system known as "Jag Healthcheck".

- On campus health screening, COVID-19 testing and contact tracing as needed to maintain the health and safety of campus.

- Requirements for all faculty and staff, as well as students attending on-campus classes and activities, are required to complete health and safety education sessions.

- Face masks required in most circumstances, with the University providing two washable, reusable face masks, free of charge, to every student and employee.

The University adjusted its 2020 Fall calendar by delaying move-in (by appointment only) to residence halls to August 8, 2020, stretching assigned move-in dates/times to residence halls over a longer period in order to reduce density of people in campus on move-in days, commencing class instruction on August 17, 2020, and completing fall classes by November 24, 2020. The University eliminated the traditional "fall break" between Thanksgiving and winter holidays and implemented online final exams that concluded on December 4, 2020, to reduce the need for students travel following the Thanksgiving holiday.

Fall 2020 enrollment for the University was down approximately 1.2% compared to Fall 2019. *See* "CERTAIN GENERAL INFORMATION RESPECTING THE UNIVERSITY – Student Enrollment and Trends" for a discussion regarding the University's strategy to increase admission and enrollment.

The University also created the "University of South Alabama COVID-19 Dashboard" containing information on the number of positive COVID-19 cases on the University's main campus that have been reported to USA's contact tracing team. All employees and students are required to immediately report confirmed or suspected cases of COVID-19 to the University's contact tracing team. This framework was created to promote safe learning spaces and flexible instructional delivery, while allowing schools, departments and faculty the autonomy necessary to implement strategies that address the unique and specialized needs of each academic program and course. Additional information concerning policies, procedures and other protective measures the University has implemented may be accessed on the University's website at https://www.southalabama.edu/coronavirus.

Spring 2021. For the Spring 2021 semester, residence halls opened on January 18, 2021, classes commenced on January 19, 2021, and the semester is scheduled to end on April 30, 2021. The University will not have a traditional "spring break", but will have various student breaks throughout the Spring 2021 semester.

The University plans to continue its COVID-19 protocols, including hybrid (i.e., online and in-person) learning, COVID-19 testing and social distancing, for the duration of the Spring 2021 semester. Students on campus will complete training, screening and testing. The training is online and includes a video, a quiz, and a pledge. The screening is recommended daily, but required every three days. Testing protocols, including random testing, will continue throughout the semester.

Spring 2021 semester enrollment is down between 2% - 3% compared to Spring 2020. *See* "CERTAIN GENERAL INFORMATION RESPECTING THE UNIVERSITY – Student Enrollment and Trends" for a discussion regarding the University's strategy to increase admission and enrollment.

Future Impact of COVID-19. Notwithstanding its positive financial and operational results for the fiscal year ended September 30, 2020, the University faces uncertainty as to the financial impacts resulting from COVID-19 due to a variety of factors including, without limitation, possible lower student enrollment with resulting reduced housing occupancy and utilization of auxiliary services, increased facility cleaning costs, costs associated with the transition to remote learning, the economic slowdown nationally and in Alabama, levels of state and federal funding and the likely increase in demand for student financial aid as families experience reductions in income. The overall extent of the impact of COVID-19 on the University's operational and financial performance will depend on these and other future developments.

CARES Act and Other Funding

General. The Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (the "CARES Act") was signed into law on March 27, 2020. Among other purposes, the CARES Act provided economic relief to institutions of higher education and other similar entities for a number of situations including the provision of direct financial support for students in need, reimbursement for the costs incurred as a result of moving instruction online, to provide relief funds for healthcare providers for purposes of covering costs incurred and lost revenues due to the pandemic. As of September 30, 2020, the University (including USA Health) has been awarded $31,437,000 in CARES Act and other funding from federal and state sources for COVID-19 relief. Of this amount, $14,919,000 has been recognized as nonoperating revenue in the statement of revenues, expenses and changes in net position for the year ended September 30, 2020. The University (including USA Health) received additional CARES Act funding subsequent to September 30, 2020 of approximately $2,177,800.

Current Expenditures. To date, the University has spent $20,748,000 of CARES Act funding received, of which $15,013,700 covered general University expenditures and $5,734,300 cover University expenditures specific to USA Health. Federal regulations restrict and limit the types of expenditures for which CARES Act funds may be used. While the University has not identified the exact expenditures to be covered with the remaining balance of CARES Act funds received to date, it anticipates having costs for which most, if not all, of such funds may be applied.

Additional Federal Aid. On December 27, 2020, President Trump signed H.R.133, which includes the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (the "Supplemental Law"). The law provides supplemental relief for institutions of higher education to address the needs of students and institutions, enhanced protections for small businesses, funding for COVID-19 vaccines, testing and tracing, support for broadband, increased SNAP benefits, and more. The emergency spending package contains $82 billion for education, with $22.9 billion set aside for higher education. These funds would be distributed through a Higher Education Emergency Relief Fund (HEERF) structure, similar to the CARES Act.

USA expects to receive approximately $18.2 million in funds through the Supplemental Law. Federal regulations restrict and limit the types of expenditures for which these funds may be used. The University has not identified the exact expenditures to be covered with these funds, but expects to have costs for which most, if not all, of such funding may be applied.

USA Health

Pandemic Response. USA Health, a division of the University, undertook an extensive, proactive, multi-faceted response to the COVID-19 pandemic. On March 16, 2020, USA Health, in partnership with the City of Mobile, established a drive-up COVID-19 testing center. The center was first established on USA Health Children's & Women's Hospital's campus, then relocated to city-owned facilities in response to increased demand, extreme heat and rain conditions, and for the continued safety of medical personnel.

USA Health opened a new, 10-bed COVID unit, and converted additional hospital floors to isolate COVID-19 patients during peak times. A 15-bed adult COVID-19 unit was opened at USA Children's & Women's Hospital to handle overflow from USA Health University Hospital. USA Health also implemented and pursued various changes to internal operations and processes to respond to the pandemic, including:

- Restrictions placed on visitors of the hospitals, temperature screening stations established at all hospital and clinic entrances, and delivery of an app for hospital employees to screen for COVID-19 symptoms prior to approaching the hospital.

- Clinic operations were converted to telemedicine visits to reduce face-to-face office visits.

- A personal protective equipment committee was formed to address needs for employees to stay protected while caring for patients infected with COVID-19. This committee addressed utilization, donations of equipment and supplies, internal policies and procedures, staff training and communication related to personal protective equipment.

- An employee website https://www.usahealthsystem.com/covid-19-employees and email communication process was created for staff to receive immediate job-critical information and updates, such as personal protective equipment changes, policy and procedure changes, and employee COVID-19 testing procedures.

- A community-wide pandemic testing center was established to serve first responders at USA Health and within the local community.

- Hospital employees were furloughed under both paid and unpaid status types to address reductions in patient volumes.

- Voluntary, unpaid time off was requested from management level employees.

- A voluntary paid time off donation program was established to provide paid time to employees adversely affected by COVID-19 based furlough or illness.

CARES Act and Other Funding. A portion of CARES Act funding has been designated to the health care providers for purposes of covering costs incurred and lost revenues due to the pandemic. Subsequent to the passage of this legislation, the Department of Health and Human Services ("HHS") issued additional pronouncements which provides guidance on how healthcare providers can apply, receive and recognize this funding, certain provisions of which have been reversed/significantly modified in succeeding guidance.

The University received approximately $11,838,000 in CARES Act funding for its USA Health (a division of the University) operations as of September 30, 2020, in both general and targeted distributions. Such funding is accounted for in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Exchange Transactions*, and will be recognized in the statement of revenue, expenses and changes in net position as nonoperating revenue once the applicable terms and conditions have been met. *See* Appendix A for additional information concerning the University's accounting of these funds.

Additionally, as part of the CARES Act, the Centers for Medicare and Medicaid Services ("CMS") expanded the existing Accelerated and Advance Payments Program ("MAAPS") to a broader group of healthcare providers. Accelerated or advance payments under the MAAPS program is intended to provide necessary funds when there is a disruption in claims submissions and processing for a healthcare provider. CMS can also offer these payments in circumstances such as a national emergency or natural disasters in order to accelerate cash flow to impacted healthcare providers. During the year ended September 30, 2020, USA Health received accelerated payments under this program of approximately $35,156,000. These advances must be repaid and, as such, are reflected as unrecognized revenues in the accompanying 2020 statement of net position.

Overall. Government orders suspending elective surgical procedures have had an adverse effect on the operations of healthcare providers, including USA Health, primarily due to reduction in overall patient volumes. While patient volumes and revenues experienced gradual improvement starting in July 2020, management is unable to predict the future impact of the pandemic on USA Health's operations.

Additional Considerations; Additional Information

The continued spread of COVID-19 may additionally adversely affect the University's (i) governmental and non-governmental funding, grants and gifts, (ii) financial markets and, consequently, the returns on and value of the University's investments, and (iii) other sources of funding upon which the University relies to cover operating costs and expenses, such as the level of State support and appropriations therefrom which, although not pledged for payment of the Series 2021 Bonds, could materially and adversely impact the University's ability to generate Pledged Revenues.

The extent to which COVID-19, or other possible pandemic events in the future, impacts the University's operations, financial condition and ratings, cannot be predicted with certainty, but it is possible could have a material adverse impact on the University.

For additional information concerning the impact of COVID-19 on the finances and operations of the University , *See* Appendix A hereto, including Note (20) therein entitled "COVID-19 Pandemic."

THE SERIES 2021 BONDS

General Description

The Series 2021 Bonds will be dated their initial date of delivery, and will bear interest (payable on October 1, 2021, and on each April 1 and October 1 thereafter until maturity) at the rates and will mature on April 1 in the years and in the amounts set forth on the inside cover page of this Official Statement. The Series 2021 Bonds will be issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof.

The Series 2021 Bonds will be initially issued as fully-registered bonds in the name of Cede & Co., as nominee of DTC, as registered owner of the Series 2021 Bonds. Purchasers of such Series 2021 Bonds will not receive physical delivery of bond certificates. For purposes of this Official Statement, so long as all of the Series 2021 Bonds are in the custody of DTC, references to Bondholders or Owners shall mean DTC or its nominee. DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities in the name of Cede & Co., DTC's partnership nominee Cede or such other nominee as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued for each maturity of the Series 2021 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. *See* Appendix D hereto for DTC payment and other related provisions.

During any period in which the Series 2021 Bonds are not held in the Book-Entry System, principal of the Series 2021 Bonds will be payable at the designated corporate trust office of the Trustee upon presentation and surrender of the Series 2021 Bonds as they mature. Interest on Series 2021 Bonds will be paid by the Trustee by check or draft mailed to the persons who are the registered owners of record as of the close of business on the March 15 or September 15, as the case may be, immediately preceding each interest payment date by check or draft mailed to such owners at their addresses shown on the registry books of the Trustee pertaining to the Series 2021 Bonds.

No charge will be made for any exchange or transfer of the Series 2021 Bonds, but the registered owners thereof shall be responsible for paying all taxes and other governmental charges relating to such transfer or exchange. In the event a Series 2021 Bond is lost, stolen, destroyed or mutilated, the University and the Trustee may require satisfactory indemnification for the replacement thereof and may charge the holder or owner of such bond with their fees and expenses in connection with the replacement thereof.

Optional Redemption

[Those of the Series 2021 Bonds having a stated maturity on [_________], and thereafter, will be subject to redemption prior to their respective maturities, at the option of the University, as a whole or in part, on [_________], and on any date thereafter (and if in part, in such maturities as the University shall select, and if less than all of a single maturity is to be redeemed those to be redeemed to be selected by the Trustee by lot) at and for a redemption price with respect to each Series 2021 Bond (or principal portion thereof redeemed) equal to the par or face amount of each Series 2021 Bond redeemed plus accrued interest to the date fixed for redemption.

Mandatory Redemption of the Series 2021 Bonds

Those of the Series 2021 Bonds maturing on [_______] shall be subject to mandatory redemption and payment, and the University shall redeem and pay such Series 2021 Bonds, at and for a redemption price, with respect to each such Series 2021 Bonds or portion thereof redeemed, equal to the principal amount thereof plus accrued interest to the date fixed for redemption (those to be redeemed to be selected by the Trustee by lot) but only in the following aggregate principal amounts on April 1 in the following years:

Year	Amount Required to be Redeemed

In the event that the University shall have partially redeemed Series 2021 having a stated maturity in [____] or shall have provided for a partial redemption of such Series 2021 Bonds in such a manner that the Series 2021 Bonds for the redemption of which provision is made are considered as fully paid, the University may elect to apply all or any part (but only in integral multiples of $5,000) of the principal amount of such Series 2021 Bonds so redeemed or to be redeemed to the reduction of the principal amount of Series 2021 Bonds required to be redeemed pursuant to the schedule set forth immediately above on any April 1 coterminous with or subsequent to the date such optional redemption actually occurs.

Notice of Redemption

Notice of redemption (other than mandatory redemption) is required to be mailed by United States registered or certified mail to the registered owner of each Series 2021 Bond to be redeemed not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption at the address shown on the registry books of the Trustee. No further interest will accrue after the date fixed for redemption on the principal of any Series 2021 Bond called for redemption upon notice duly given as provided in the Indenture and if payment therefor has been duly provided, and in such event any Series 2021 Bond (or portion thereof) called for redemption will no longer be protected by the provisions of the Indenture.

In the event that less than all of the outstanding principal of any Series 2021 Bond is to be redeemed, the registered owner thereof shall surrender the Series 2021 Bond that is to be prepaid in part to the Trustee in exchange, without expense to the owner, for a new Series 2021 Bond of like tenor except in a principal amount equal to the unredeemed portion of the Series 2021 Bond.

SECURITY AND SOURCE OF PAYMENT

General

The University has previously issued various series of Bonds under the Indenture, of which fifteen series of Bonds are currently outstanding before giving effect to the issuance of the Series 2021 Bonds. Those series of Bonds consist of the following:

(a) $25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012 (the "Series 2012-A Bond");

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

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

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

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

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

(g) $85,605,000 University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016 (the "Series 2016 Bonds");

(h) $20,000,000 University Facilities Revenue Refunding Bond, Series 2016-B, dated December 7, 2016 (the "Series 2016-B Bond");

(i) $35,000,000 University Facilities Revenue Refunding Bond, Series 2016-C, dated December 7, 2016 (the "Series 2016-C Bond");

(j) $45,000,000 University Facilities Revenue Refunding Bond, Series 2016-D, dated December 7, 2016 (the "Series 2016-D Bond");

(k) $38,105,000 University Facilities Revenue Bonds, Series 2017, dated June 15, 2017 (the "Series 2017 Bonds");

(l) $47,750,000 University Facilities Revenue Bonds, Series 2019-A, dated February 7, 2019 (the "Series 2019-A Bonds");

(m) $18,440,000 Taxable University Facilities Revenue Bonds, Series 2019-B, dated February 7, 2019 (the "Series 2019-B Bonds");

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

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

The Series 2012-A Bond, the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, Series 2014-A Bond, the Series 2015 Bond, the Series 2016 Bonds, the Series 2016-B Bond, the Series 2016-C Bond, the Series 2016-D Bond, the Series 2017 Bonds, the Series 2019-A Bonds, the Series 2019-B Bonds, the Series 2019-C Bond and the Series 2020 Bonds are herein collectively referred to as the "Outstanding Bonds." The Outstanding Bonds, the Series 2021 Bonds, and any Additional Bonds hereafter issued are referred to herein collectively as the "Bonds."

Sources of Payment and Pledged Revenues

The Series 2021 Bonds will be issued under the Indenture, as supplemented and amended by an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Series 2021 Bonds (the "Eighteenth Supplemental Indenture") between the University and the Trustee, and will constitute limited obligations of the University payable solely from and secured by a lien on and a pledge of the Pledged Revenues (hereinafter defined) levied and collected by the University. The Series 2021 Bonds are secured pro rata and on an equal lien basis one with the other, with the Outstanding Bonds and with any Additional Bonds that may be hereafter issued under and subject to the terms and conditions of the Indenture, by a pledge of the Pledged Revenues.

The Series 2021 Bonds shall never be payable from any funds at any time provided for or appropriated by the State of Alabama and shall not be a charge on the general credit or tax revenues of the State of Alabama. Neither the State of Alabama nor the University shall be obligated, directly or indirectly, to contribute any funds, property or resources to the payment of the Series 2021 Bonds except the Pledged Revenues.

The Series 2021 Bonds are payable solely out of the Pledged Revenues as defined in the Indenture, as amended, on a parity of lien with the Outstanding Bonds and any Additional Bonds at any time issued under the Indenture. Pledged Revenues is defined in the Indenture as follows:

"*Pledged Revenues*" means the Auxiliary Enterprises Revenues, the Children’s & Women’s Hospital Revenues, the General Fees, and additional fees and revenues, if any, that may be subjected to the lien of the Indenture pursuant to a Supplemental Indenture.

"*Auxiliary Enterprises Revenues*" means the gross revenues derived from auxiliary enterprises services furnished by the University, including, without limitation, 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.

"*Children’s & Women’s Hospital Revenues*" means 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 & Women’s Hospital.

"*General Fees*" means all fees now or hereafter levied as a general tuition fee against students enrolled at the University.

Additional Bonds

In the Indenture, the University has reserved the right to issue and deliver from time to time and at any time Bonds ("Additional Bonds") secured by a pledge of the Pledged Revenues on a parity with the Outstanding Bonds, the Series 2021 Bonds, and any other Additional Bonds then outstanding for any purpose permitted by law and upon compliance with certain requirements set forth under the Indenture. *See* "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" below.

ANNUAL DEBT SERVICE REQUIREMENTS

Estimated Debt Service Requirements of the Series 2021 Bonds

The following sets forth the estimated debt service requirements of the Series 2021 Bonds on a fiscal year basis:

Fiscal Year Ending September 30,	**Principal***	**Interest***	**Total***
2022	$1,090,000	$2,115,079	$3,205,079
2023	1,270,000	1,944,000	3,214,000
2024	1,340,000	1,880,500	3,220,500
2025	1,405,000	1,813,500	3,218,500
2026	1,470,000	1,743,250	3,213,250
2027	1,550,000	1,669,750	3,219,750
2028	1,625,000	1,592,250	3,217,250
2029	1,705,000	1,511,000	3,216,000
2030	1,790,000	1,425,750	3,215,750
2031	1,885,000	1,336,250	3,221,250
2032	1,980,000	1,242,000	3,222,000
2033	2,075,000	1,143,000	3,218,000
2034	2,180,000	1,039,250	3,219,250
2035	2,285,000	930,250	3,215,250
2036	2,400,000	816,000	3,216,000
2037	2,520,000	696,000	3,216,000
2038	2,645,000	570,000	3,215,000
2039	2,780,000	437,750	3,217,750
2040	2,915,000	298,750	3,213,750
2041	3,060,000	153,000	3,213,000

* Preliminary; subject to change.

Debt Service Requirements – Outstanding Bonds and the Series 2021 Bonds

The following table sets forth the scheduled debt service requirements on all Outstanding Bonds (assuming no exercise of Put Rights for the Series 2016 Put Bonds as more particularly described below) and the Series 2021 Bonds on a fiscal year basis:

Fiscal Year Ending Sept. 30	Series 2012-A	Series 2013[(1)]	Series 2014-A[(2)]	Series 2015	Series 2016	Series 2016-B[(3)]	Series 2016-C[(3)]	Series 2016-D[(3)]	Series 2017 Bonds	Series 2019 Bonds[(4)]	Series 2020 Bonds	Series 2021 Bonds*	Total Debt Service*
2021	$1,702,516	$3,470,942	$8,796,573	$468,911	$6,511,275	$1,094,000	$1,932,000	$2,511,000	$2,975,625	$6,137,124	$2,639,053	--	$38,239,019
2022	1,704,928	3,470,942	8,764,199	459,520	6,509,900	1,094,000	1,932,000	2,511,000	2,978,875	6,176,182	2,622,200	$3,205,079	41,428,825
2023	1,707,871	3,470,942	8,730,821	450,129	6,511,025	1,094,000	1,932,000	2,511,000	2,978,625	6,215,732	2,621,600	3,214,000	41,437,745
2024	1,709,000	3,470,941	8,685,623	440,918	6,509,275	1,094,000	1,932,000	2,511,000	2,979,750	6,257,567	2,624,400	3,220,500	41,434,974
2025	1,708,589	3,470,941	-	431,347	6,509,275	2,183,368	3,837,904	4,960,692	2,977,125	6,295,603	2,900,400	3,218,500	38,493,744
2026	1,711,363	3,470,942	-	421,956	6,515,400	2,177,545	3,826,709	4,944,748	2,981,688	6,341,736	2,903,600	3,213,250	38,508,937
2027	1,714,520	3,470,942	-	412,565	6,507,050	2,172,495	3,816,814	4,930,396	2,973,250	6,385,960	2,899,600	3,219,750	38,503,342
2028	1,716,929	3,470,942	-	403,251	6,510,200	2,166,053	3,804,431	4,912,760	2,980,375	6,436,123	2,902,100	3,217,250	38,520,414
2029	1,718,505	2,646,549	-	393,782	6,509,575	2,160,056	3,792,768	4,895,964	2,977,875	6,483,325	2,900,600	3,216,000	37,694,999
2030	1,717,616	2,646,549	-	384,391	6,513,325	2,153,312	3,779,738	4,877,317	2,975,750	5,648,528	2,905,100	3,215,750	36,817,376
2031	1,723,729	2,646,548	-	-	6,506,075	2,146,629	3,766,753	4,858,631	2,978,625	4,285,865	2,900,100	3,221,250	35,034,205
2032	925,002	2,646,548	-	-	6,507,325	2,138,817	3,751,725	4,837,216	2,981,125	4,287,333	2,900,850	3,222,000	34,197,941
2033	-	2,646,548	-	-	6,506,325	2,131,656	3,737,767	4,817,069	2,978,125	4,784,230	2,901,850	3,218,000	33,721,570
2034	-	-	-	-	6,507,450	2,123,900	3,722,695	4,795,377	2,979,375	4,560,250	2,902,850	3,219,250	30,811,147
2035	-	-	-	-	6,505,075	2,115,331	3,706,121	4,771,636	2,974,625	4,547,000	2,898,600	3,215,250	30,733,638
2036	-	-	-	-	6,508,950	2,105,729	3,687,661	4,745,344	2,978,500	4,833,750	2,902,000	3,216,000	30,977,934
2037	-	-	-	-	6,511,050	2,096,821	3,670,330	4,720,374	2,975,625	4,500,250	2,906,600	3,216,000	30,597,050
2038	-	-	-	-	6,501,075	-	-	-	1,640,000	4,486,500	2,902,200	3,215,000	18,744,775
2039	-	-	-	-	-	-	-	-	-	4,472,000	2,904,000	3,217,750	10,593,750
2040	-	-	-	-	-	-	-	-	-	4,156,500	2,901,600	3,213,750	10,271,850
2041	-	-	-	-	-	-	-	-	-	4,154,750	-	3,213,000	7,367,750
2042	-	-	-	-	-	-	-	-	-	4,156,500	-	-	4,156,500
2043	-	-	--	-	-	-	-	--	-	4,156,250	-	-	4,156,250
2044	-	-	-	-	-	-	-	-	-	4,158,750	-	-	4,158,750
2045	-	-	-	-	-	-	-	-	-	4,153,500	-	-	4,153,500
2046	-	-	-	-	-	-	-	-	-	4,155,500	-	-	4,155,500
2047	-	-	-	-	-	-	-	-	-	3,254,000	-	-	3,254,000
2048	-	-	-	-	-	-	-	-	-	3,298,750	-	-	3,298,750
2049	-	-	-	-	-	-	-	-	-	3,344,250	-	-	3,344,250

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* Preliminary; subject to change

(1) Includes the Series 2013-A Bond, the Series 2013-B Bond and the Series 2013-C Bond

(2) Interest on the Series 2014-A Bond is calculated at the net swap rate of 5.4553% under the 2014 Swap described herein.

(3) Interest on the Series 2016-B Bond, the Series 2016-C Bond and the Series 2016-D Bond is calculated at the net swap rate for each such bond of 5.47%, 5.52% and 5.58%, respectively, under the 2016 Swap described herein. The amortization shown for each of the 2016-B Bond, the 2016-C Bond, and the 2016-D Bond assumes no exercise of a Put Right prior to maturity, or that such indebtedness is refinanced on any Put Date so as to achieve the same current principal amortization and same net swap rate. *See* "Put Rights Respecting Certain Outstanding Bonds" below.

(4) Includes debt service on Series 2019-A Bonds, Series 2019-B Bonds and the Series 2019-C Bond.

Variable Rate Bonds

Each series of Outstanding Bonds bears interest at a fixed rate, except the Series 2014-A Bond and the Series 2016-B Bond, the Series 2016-C Bond and the Series 2016-D Bond (collectively, the "Series 2016 Put Bonds"). The Series 2014-A Bond and the Series 2016 Put Bonds bear interest at variable rates. These variable rates are computed based on 68% of the one-month London Interbank Offered Rate ("LIBOR"), plus a set number of basis points that differs for each series. The University has entered into an interest rate exchange agreement respecting the Series 2014-A Bond and an interest rate exchange agreement respecting the Series 2016 Put Bonds. *See* "Derivatives" below for a discussion of these interest rate swap agreements.

Derivatives

The University has entered an interest rate swap (the "2014 Swap") with Wells Fargo Bank, N.A., as successor to Wachovia Bank, N.A., (the "Counterparty"), respecting the Series 2014-A Bond. The notional amount of the 2014 Swap will at all times match the outstanding scheduled principal amount of the Series 2014-A Bond, and the 2014 Swap will mature on March 15, 2024. Under the 2014 Swap, the University pays a fixed rate of 4.9753% and receives 68% of one-month LIBOR plus 0.25%.

The University also has entered an interest rate swap (the "2016 Swap") with the Counterparty respecting the Series 2016 Put Bonds. Under the 2016 Swap, the University pays a fixed rate of 5.0% and receives 68% of one-month LIBOR plus 0.25%. The 2016 Swap matures on December 1, 2036. The combined principal amortization of the Series 2016 Put Bonds matches the notional amount on the 2016 Swap through its maturity; however, each of these Series 2016 Put Bonds contains a right exercisable at the sole discretion of the bondholder to cause such Bond to mature and become due and payable prior to its final maturity. *See* "Put Rights Respecting Certain Outstanding Bonds" below for a discussion of these put rights.

Pursuant to the terms of the 2014 Swap and the 2016 Swap, the University is required to post collateral from time to time equal to any then negative valuation of such swaps. For additional information regarding derivative exposure, *See* Note 9 of the University's audited financial statements for the fiscal year ended September 30, 2020 attached hereto at Appendix A.

Put Rights Respecting Certain Outstanding Bonds

Each of the Series 2016 Put Bonds has principal amortized from December 1, 2024, through and including December 1, 2036. However, each Series 2016 Put Bond contains a feature (a "Put Right") permitting its holder to cause all outstanding principal on such Bond to mature and become due and payable by the University on a date (such date, a "Put Date") before scheduled maturity.

The earliest Put Date for the Series 2016-B Bond is December 1, 2021, the earliest Put Date for the Series 2016-C Bond is December 1, 2023, and the earliest Put Date for the Series 2016-D Bond is December 1, 2026. For each Series 2016 Put Bond, the Put Right must be exercised at least 210 days before the applicable Put Date, and if not timely exercised, such right extends immediately to the succeeding bond year until timely exercised or such Bond reaches final maturity, whichever occurs first.

The University intends to refinance any Series 2016 Put Bond for which a Put Right is exercised so as to maintain the Bond's then-current principal amortization. While the University is not aware of any existing obstacles to its ability to refinance the Series 2016 Put Bonds, should Put Rights be exercised, market conditions, the financial condition of the University or the State of Alabama, and various other factors in existence at the time such rights are exercised could hamper or even prevent the University from refinancing Series 2016 Put Bonds as presently intended.

Pledged Revenues

The following is a summary of the amount of General Fees, Auxiliary Enterprises Revenues and Children's & Women's Hospital Revenues collected by the University for the fiscal years ended September 30, 2016, through September 30, 2020:

	2016	**2017**	**2018**	**2019**	**2020**
General Fees[1]	$172,253,000	$177,547,000	$171,429,000	$175,638,000	$168,639,000
Auxiliary Enterprises Revenues[1]	30,008,000	29,413,000	26,996,000	22,587,000	20,244,000
Children's & Women's Hospital Revenues[2]	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total	$212,261,000	$216,960,000	$208,425,000	$208,225,000	$198,883,000

[1]General Fees and Auxiliary Enterprises Revenues include amounts allocated to scholarship allowances for accounting purposes. General Fees and Auxiliary Enterprises Revenues net of scholarship allowances for fiscal year 2016 were approximately $137,074,000 and $28,861,000, respectively, for fiscal year 2017 were approximately $141,949,944 and $28,347,000, respectively, for fiscal year 2018 were approximately $136,222,000, and $25,907,000, for fiscal year 2019 were $139,871,000 and $21,484,000, respectively, and for fiscal year 2020 were $129,644,000 and $19,038,000, respectively.

[2] Only $10,000,000 of the gross revenues from the USA Children's and Women's Hospital, in any fiscal year of the University, are pledged to payment of all the Bonds (*i.e.*, the Outstanding Bonds, the Series 2021 Bonds and any Additional Bonds hereafter issued). *See* "HEALTH CARE SYSTEM" below for total gross revenues from USA Children's and Women's Hospital for the years shown.

Reference is hereby made to the audited financial statements of the University for the fiscal year ended September 30, 2020, appearing as Appendix A hereto, and the audited financial statements of the University for the other periods which are available on EMMA (as defined herein). *See* "CONTINUING DISCLOSURE" below for a description of EMMA.

Upon issuance of the proposed Series 2021 Bonds, the total principal amount of indebtedness of the University payable from Pledged Revenues is estimated to be not greater than $462,103,792.

Maximum Annual Debt Service Requirement

The estimated Maximum Annual Debt Service Requirement respecting the Series 2021 Bonds and the Outstanding Bonds, based on the amortization schedule set forth above under "Debt Service Requirements – Outstanding Bonds and the Series 2021 Bonds", occurring in the fiscal year of the University ending September 30, 2023 ($41,437,745), is covered 4.80 times by Pledged Revenues referable to the fiscal year of the University ended September 30, 2020 ($198,883,000). *See* "Pledged Revenues" above. This coverage is based on the assumption that the Series 2016 Put Bonds mature in accordance with their scheduled principal amortization and without the exercise of Put Rights by any of the holders of those Bonds. *See* "Put Rights Respecting Certain Outstanding Bonds" above.

Assuming the exercise of the Put Right for each of the Series 2016-B Bond, the Series 2016-C Bond and the Series 2016-D Bond on the earliest date permitted (*i.e.*, December 1, 2021, for the Series 2016-B Bond, December 1, 2023, for the Series 2016-C Bond, and December 1, 2026, for the Series 2016-D), the estimated annual debt service for the University's fiscal years ending September 30, 2022, September 30, 2024, and September 30, 2027, would be $61,428,824, $75,340,973 and $69,560,281, respectively, and the estimated maximum annual debt service requirement for the Series 2021 Bonds and the Outstanding Bonds would occur in the fiscal year of the University ending September 30, 2024 ($75,340,973), and would be covered approximately 2.64 times by Pledged Revenues referable to the fiscal year of the University ended September 30, 2020 ($198,883,000).

Other University Debt

USA Line of Credit. On June 11, 2020, the University entered a short-term Revolving Line of Credit Agreement dated June 11, 2020 (the "Revolving Line of Credit Agreement") with Hancock Whitney Bank (in such capacity, "HW"), under which the University secured the right to borrow funds from time to time from

HW, up to $50,000,000 as of any time outstanding, to cover operating costs and expenses of the University (the "HW Line of Credit"). Pursuant to the Revolving Line of Credit Agreement, interest on any drawing by the University accrues from the date of such drawing, until repaid, at a variable rate equal to the one-month LIBOR plus 150 basis points.

Like other public institutions, including universities and health care operators, the University secured this facility to ensure access to capital in light of the uncertain impact that COVID-19 and the resulting pandemic could have on University costs and finances. At the time the University authorized the Revolving Line of Credit Agreement, the Trustees approved and authorized, within certain limitations, (i) the power of the University to extend the HW Line of Credit for a period of up to three (3) years, and (ii) to secure an additional $50,000,000 revolving line of credit (an "Additional Line of Credit").

To date, the University has not accessed any funds under the HW Line of Credit. The University has no plans or expectations to access funds under the HW Line of Credit, to extend the HW Line of Credit past its June 11, 2021 date of expiration or to enter into any Additional Line of Credit.

Compass Loan. On March 27, 2015, the University obtained a $5,000,000 revolving line of credit facility (the "Compass Line of Credit") with Compass Bank ("Compass"). The University was permitted to borrow funds from Compass from time to time under the Compass Line of Credit so long as its outstanding principal balance did not exceed $5,000,000. The Compass Line of Credit initially provided that principal amounts drawn thereunder would not become due until its April 14, 2018 maturity date. In July 2018, the University amended the Compass Line of Credit (as amended, the "Compass Loan") so that (i) the principal balance at that time of $3,433,789 was fixed, (ii) additional draws would not be permitted, (iii) interest would be computed at a fixed rate of 3.85% and (iv) principal was amortized to become due and payable in annual installments over a period from 2018 through 2023. This obligation is not secured by Pledged Revenues, and Compass is not entitled to any rights or benefits under the Indenture respecting this obligation.

The Compass Loan is a general obligation of the University and is not secured by Pledged Revenues under the Indenture.

RCA Lease. On December 7, 2016, the University entered a Secured Equipment Financing Lease (the "RCA Lease") with Regions Capital Advantage, Inc. to finance a linear accelerator for use at USA Health Mitchell Cancer Institute. The principal component of this lease totals $2,089,690, and interest is calculated at a fixed per annum rate of 1.88%. This lease reaches final maturity on October 7, 2022. The RCA Lease is subject to annual appropriation by the University, and on each payment date debt service is payable solely out of then-current funds of the University. Such payments are not secured by Pledged Revenues under the Indenture.

Med One Capital Lease. The University has entered a capital lease agreement with Med One Capital Funding, LLC for certain medical equipment to be used at USA Health University Hospital. Under this arrangement, the University makes monthly lease payments, over a period of 60 months, aggregating just under $4,000,000, and pays a nominal price to acquire title to the equipment at conclusion of the lease. Payments under this lease are not secured by Pledged Revenues under the Indenture or other special funds or assets of the University.

Energy Savings Agreement with Alabama Power. The University has entered a ten (10) year agreement dated February 1, 2016 (the "Energy Savings Agreement") with Alabama Power Company ("APC") under which APC agrees to design, procure and install certain energy conservation equipment and measures to reduce energy and maintenance costs at USA Health University Hospital. Under this Agreement, the University pays APC $18,882 per month over a period of 120 months (totaling $2,265,840 in payments from the University). Payments under the Energy Savings Agreement are not secured by Pledged Revenues under the Indenture or other special funds or assets of the University.

Master Lease Agreement with Hancock Whitney. The University has entered a Master Lease Agreement dated June 13, 2019 (the "Master Lease Agreement") with Hancock Whitney Equipment Finance and Leasing, LLC ("Hancock Whitney") under and pursuant to which the University may request and receive extensions of credit from Hancock Whitney to purchase up to $10,000,000 in equipment for use by the University. Under the Master Lease Agreement, Hancock Whitney purchases and leases equipment requested by the University. Lease payments from the University include principal and interest components. To date, the University has incurred $550,703.65 in funding under the Master Lease Agreement, which such amount bears interest at a fixed annual rate of 3.01% and is payable on a monthly basis (with equal monthly payments of principal and interest) from December 22, 2019, through and including November 22, 2023. Payments under the Master Lease Agreement are not secured by Pledged Revenues under the Indenture or other special funds or assets of the University.

Rent Supplement Agreements for USARTC. As more particularly described under the section entitled "RESEARCH & TECHNOLOGY CORPORATION", USARTC (hereinafter defined) is a not-for-profit corporation organized by the University to own and operate certain facilities on land of the University incident to research, technological and other enterprises. USARTC has financed these facilities through loans secured by rentals payable from tenants of these facilities to USARTC. There are two such loans currently outstanding; one with a remaining principal balance of $12,004,155.53 bearing interest at a fixed annual rate of 4.35%, and the other with a remaining outstanding principal amount of $8,500,000 bearing interest at a fixed annual rate of 3.08%.

For each such loan, the University has entered an agreement (each, a "Rent Supplement Agreement") under which the University agrees to cover any shortfall in payments owed as debt service. Payments under each Rent Supplement Agreement are not secured by Pledged Revenues under the Indenture or any other special funds or assets of the University.

Future Debt

In 2017, the Board of Trustees approved the University campus master plan, which covered the ten-year period from 2017 to 2027. Some of these projects (to cover capital improvements not appropriate for pay-as-you-go financing) may be funded through the issuance of long-term debt. To date, the construction of the on-campus football stadium (part of the said campus master plan) was funded with a portion of the proceeds of the Series 2019-A Bonds and Series 2019-B Bonds and other amounts.

The University intends to develop and construct a new building to house the USA College of Medicine. Plans for the new facility are still in the early stages, but during a recent visit to the University, the Governor announced a $50.0 million commitment from the State for construction and development of the new facility. *See* "SUMMARY INFORMATION RESPECTING STATE AND PRIVATE FUNDING – Alabama Public School and College Authority Funding" herein. It is likely that the University will finance a portion of the costs of this facility through the issuance of one or more series of Additional Bonds secured by Pledged Revenues.

THE PLAN OF FINANCING

The Series 2021 Bonds are being issued for the purpose of (i) paying the costs of certain public capital improvements on the campus of the University consisting of improvements and assets to increase capacity within USA Health, including without limitation a new medical office building, operating room and emergency room renovations and improvements, and other improvements and assets and (ii) paying the costs of public roadway improvements, sidewalk improvements, retention pond improvements, utility improvements, and other public capital improvements, equipment and assets for the University (herein collectively called the "2021 Improvements"). The Series 2021 Bonds are also being issued to pay the costs of issuing the Series 2021 Bonds.

ESTIMATED SOURCES AND USES OF PROCEEDS

The estimated sources and uses of funds for the plan of financing with respect to the issuance of the Series 2021 Bonds are as follows:

Sources of Funds

Principal amount of Series 2021 Bonds

[Plus/Less] [Net] Original Issue [Premium/Discount]

Total Sources

Uses of Funds

2021 Improvements

Costs of Issuance[1]

Total Uses

[1] Includes underwriting discount, legal and accounting fees, printing costs, rating agency fees, financial advisory fees, and other expenses of issuance.

CERTAIN GENERAL INFORMATION RESPECTING THE UNIVERSITY

General

The University of South Alabama is a public body corporate of the State of Alabama existing under provisions of Act No. 157, Acts of Alabama, Second Special Session 1963, and Chapter 55 of Title 16 of the Code of Alabama 1975, as amended. The University is a comprehensive, coeducational, state-assisted institution, which serves as a major center of undergraduate, graduate, and professional education for Alabama, the Gulf Coast region and the southeastern United States.

The University's mission encompasses the three traditional academic functions of teaching, research, and public service through which it pursues the discovery, preservation and communication of knowledge. The University was admitted to membership in the Southern Association of Colleges and Schools on December 4, 1968.

Total enrollment for Fall 2020 was 14,224. Of those students, 9,046 were classified as undergraduate students, 5,174 were enrolled in graduate or professional programs, and four (4) were unclassified. For the academic year 2019-2020, the University awarded 3,498 degrees, of which 2,109 were Baccalaureate Degrees, 1,067 were Master’s Degrees, 256 were Doctoral degrees, and 66 were M.D. degrees.

The University of South Alabama main campus, located in a section of Mobile called Springhill, consists of 1,200 wooded acres. The primary instructional buildings are contained on this campus, as well as the medical college and dormitory facilities. A 750-acre municipal park is adjacent to the main campus.

The University of South Alabama Baldwin County Campus was established as a branch campus in 1984 to better meet the needs of students located in Baldwin County, Alabama, and offers graduate courses, upper-level undergraduate courses, and non-credit courses/public service programs.

The University of South Alabama health system, known as USA Health, is composed of the USA Health University Hospital, the USA Children & Women’s Hospital, the USA Health Mitchell Cancer Institute, and USA Health Ambulatory Services. USA Health provides primary and tertiary care for a multi-county service area. The USA Health University Hospital ("USAUH") is a 406-licensed bed hospital which includes a level one trauma center, a burn unit, and state-of-the-art facilities for internal medicine, surgery and cardiovascular diagnostic and treatment techniques. The USA Children's & Women's Hospital ("USACW") is a 152-Licensed bed facility specializing in pediatric, obstetric and gynecological services. USACW includes neonatal and pediatric intensive care nurseries, progressive care nurseries and other facilities for dealing with high-risk deliveries. In 2015, the 195,000 square foot expansion of USACW was placed into service. The USA Health Mitchell Cancer Institute ("USAMCI") is an academic cancer treatment and research enterprise housed in a state-of-the-art 125,000 square foot integrated clinical and research building. USA Health Ambulatory Services ("Ambulatory Services") is a 160-physician multi-specialty faculty practice dedicated to delivering leading-edge care to patients and supporting the mission of the USA College of Medicine in the education and training of students and resident physicians and in the advancement of medical care through medical research. The Strada Patient Care Center, a 133,000 square foot building located near USACW, was placed in service in December 2016 and provides 153 patient exam rooms, 16 nurses' stations, and seven (7) educational conference rooms for use by University physicians.

For the 2019-2020 academic year, the University employed 831 full-time faculty persons. Approximately 32% of faculty members are tenured. The University employs 6,307 persons in all categories.

The main campuses in Mobile, Alabama, consists of 165 major buildings, including hospital and medical related facilities. Those facilities include buildings currently providing approximately 2,332 beds (with capacity to expand up to 2,400 beds, if needed) available for student residency on campus.

For its fiscal year ended September 30, 2020, the University reported grants and contracts revenue from Federal, State and private sources of approximately $39,668,000, and an additional $123,063,000 from direct State of Alabama legislative appropriations. Tuition and fees revenues reported during the fiscal year ended September 30, 2020 (net of scholarship allowances) were approximately $129,644,000, and net patient service revenues from USA Health during such period were approximately $554,431,000. *See* Appendix A.

Summary Enrollment Profile - Fall 2020
(excluding Medical Residents)

	Fall 2020	
	Number	Percent
Covey College of Allied Health Professions	1,509	10.6%
College of Arts and Sciences	2,900	20.4%
Mitchell College of Business	1,148	8.1%
School of Computing	627	4.4%
College of Education & Professional Studies	2,003	14.1%
College of Engineering	1,048	7.4%
Graduate School	44	0.3%
College of Medicine	344	2.4%
College of Nursing	4,601	32.3%
Total	14,224	100.0%

USA offers programs leading to fifty-three baccalaureate degrees, thirty-eight master's degrees, an Education Specialist (Ed.S.) degree, twelve doctoral degrees, and a Medical Doctor (M.D.) degree. USA also offers a number of post-secondary certificates. In addition to the traditional on-campus course offerings, the University offers over two hundred and fifty online courses each semester to fit the needs of a diverse student body.

Financial

The following section contains certain financial information for the University, including a comparison of the revenues, expenses and changes in net position for the fiscal years 2016 through 2020 (dollars in thousands).

	2016	**2017**	**2018**	**2019**	**2020**
Operating revenues:					
Tuition and fees, net	$137,074	$142,024	$136,222	$139,871	$129,644
Net patient service revenue	360,657	390,931	416,034	491,796	554,431
Federal, state and private grants and contracts	38,187	36,853	34,093	36,647	39,668
Other	88,943	92,674	66,730	62,527	58,949
Total	624,861	662,482	653,079	730,841	782,692
Operating expenses:					

Salaries and benefits	460,219	483,113	486,156	495,123	491,791
Supplies and other services	198,518	219,362	255,145	268,416	285,289
Other	65,530	64,942	78,081	79,492	81,216
Total	724,267	767,417	819,382	843,031	858,296
Operating loss	(99,406)	(104,935)	(166,303)	(112,190)	(75,604)
Nonoperating revenues (expenses):					
State appropriations	105,024	107,332	108,268	115,209	123,063
Investment income (loss)	2,631	18,398	17,857	8,203	23,378
Other, net	8,135	20,613	22,674	25,189	41,274
Net nonoperating revenues	115,790	146,343	148,799	148,601	187,715
Income (loss) before capital appropriations, capital contributions, grants, and additions to endowment	16,384	41,408	(17,504)	36,411	112,111
Capital appropriations, capital contributions, grants and additions to endowment	9,521	6,417	16,770	20,316	12,042
Change in net position	25,905	47,825	(734)	56,727	124,153
Beginning net position, before cumulative effect of change in accounting principle	195,052	217,994	265,819	35,398	92,125
Cumulative effect of change in accounting principle	(2,963)	-	(229,687)[1]	-	-
Beginning net position- as adjusted	192,089	217,994	36,132	35,398	92,125
Ending net position	$217,994	$265,819	$ 35,398	$92,125	$216,278

[1] Active and retired employees of the University are covered by the Public Education Employees Health Insurance Plan ("PEEHIP"), which is a cost-sharing, multiple-employer defined benefit other post-employment benefit ("OPEB") plan administered by the Teachers Retirement System of Alabama. Alabama law requires the Public Education Employees Health Insurance Board to create an irrevocable trust to fund OPEB benefits to retirees participating in PEEHIP. In 2018, the University adopted the provisions of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* ("GASB 75"). GASB 75 requires that the University recognize its proportional share of net OPEB liability, based on an actuarial valuation, and the OPEB expense, in the University's financial statements. *See* Appendix A – note (13) – "Other Post-Employment Benefit Plans".

The University's audited financial statements for the year ended September 30, 2020 are attached as Appendix A.

Faculty and Staff

Faculty and staff employees for the University were as follows at September 30 for the years shown:

	2020	2019	2018	2017	2016
Full-time faculty by rank:					
Professor	172	176	176	187	180
Associate Professor	185	186	186	179	194
Assistant Professor	352	353	342	339	313
Instructor	121	129	138	139	145
Lecturer	1	1	1	1	1
TOTAL	831	845	843	845	833
Full-time faculty by length of service:					
Up to 2 years	146	164	190	215	205
3-4 years	122	151	131	107	102
5-9 years	210	168	152	151	163
10-14 years	115	137	146	155	147
15+ years	238	225	224	217	216

	2020	2019	2018	2017	2016
TOTAL	831	845	843	845	833
Percent of faculty tenured	32.0%	31.0%	31.2%	31.8%	33.3%
Part-time faculty	N/A	431	440	428	429
Non-faculty	N/A	5,047	4,707	4,611	4,666
Total University employees	N/A	6,307	5,971	5,866	5,911

Student Enrollment and Trends

Enrollment Strategy. As reflected in the tables below, since 2016 the University has experienced annual declines in total enrollment. This is attributable mostly to annual decreases in undergraduate enrollment. The University is addressing this trend through a strategy designed to better market the University to prospective students in general, and to better target those with higher probabilities of enrolling and matriculating through the University.

Specifically, the University has worked to increase on-campus visits. Tour activity increased more than 40% year-over-year (*i.e.*, Fall 2019 compared to Fall 2020). The University also increased its digital footprint by tripling electronic media name-buys and expanding other digital marketing tools. A new client relationship management system was employed by the University to enhance electronic mail and digital marketing programs. This system helps the University identify and communicate more proactively with those prospective students having higher likelihoods of interest in enrolling at the University.

Other efforts have included more proactive engagement of parents, college counselors, and others in the student recruitment processes. The University has also allowed students to apply with a "test-optional" strategy, and has incorporated a scholarship strategy that includes more need-based funding.

The University continues to focus on its transfer strategy and recruitment of international students. Fall 2021 transfer application activity has been tracking approximately 25% year-over- year (*i.e.*, Spring 2020 compared to Spring 2021). The University is also offering more merit-based scholarships to international students. The University anticipates enrolling more international students in Fall 2021 as this strategy takes hold and more travel pathways open. The University is also employing additional marketing resources with a focus of converting existing undergraduate students into students of the various graduate programs of the University, along with a potential increase in military-affiliated enrollment.

Short-Term Results. The University has been encouraged by the short-term results of its enrollment strategy. The University was able to better stabilize Fall 2020 enrollment by enrolling freshman at levels closer to Fall 2019 levels, and by experiencing gains in undergraduate student retention and graduation rates. The University experienced an increase in graduate students for the Fall 2020 semester, and for the subsequent Spring 2021 semester grew levels of new freshmen and transfer students by approximately 25%.

As of January 1, 2021, there was a 30% increase in Fall 2021 freshmen applications and accepted students compared to 2020. The University has a goal to grow freshmen by at least 15% for Fall 2021.

Enrollment, Application, Acceptance and Related Trends. The following tables present results for the periods indicated relating to student enrollment, applications, matriculations, and retention:

Total student enrollment by head count was as follows for the semesters shown:

	Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
Undergraduate	9,046	9,595	10,275	10,975	11,740
Graduate/Professional	5,174	4,796	4,541	4,581	4,682
Unclassified	4	6	18	13	21
Total	14,224	14,397	14,834	15,569	16,443

Applications, acceptances and matriculations for freshmen students:

	Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
Applications	8,057	6,282	6,488	5,855	6,087
Acceptances	5,877	4,929	5,132	4,798	4,882
Matriculations(1)	1,551	1,549	1,843	1,843	1,904
Percent of applicants accepted	72.9%	78.5%	79.1%	81.9%	80.2%
Percent of applicants enrolled	19.3%	24.7%	28.4%	31.5%	31.3%

(1) Reflects only first-time freshmen that started in the fall semester indicated.

Total enrollment by full-time equivalent:

	Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
Undergraduate	8,399	8,928	9,563	10,144	10,842
Graduate/Professional	4,582	4,230	4,027	4,013	4,288
Total	12,981	13,158	13,590	14,156	15,130

Retention rate for full-time freshmen entering in:

	Fall 2019	Fall 2018	Fall 2017	Fall 2016	Fall 2015
Number matriculated(1)	1,600	1,889	1,868	1,955	2,082
Number returned	1,223	1,400	1,390	1,517	1,524
Retention rate	76%	74%	74%	78%	73%

(1) Includes first-time freshmen that started in the fall semester indicated, plus first-time freshmen that started in the immediately preceding summer semester and reenrolled in the fall semester indicated.

Graduation Rates

Cumulative Graduation Rate:

Fall	Number	Four Years		Five Years		Six Years	
Class	Matriculated	Number	Percent	Number	Percent	Number	Percent
2016	1,955	620	32%	N/A	N/A	N/A	N/A
2015	2,082	581	28%	894	43%	N/A	N/A
2014	2,030	537	26%	812	40%	908	45%
2013	1,825	449	25%	751	41%	834	46%
2012	1,886	408	22%	707	37%	820	43%
2011	1,826	342	19%	599	33%	726	40%
2010	1,654	262	16%	493	30%	623	38%

Test Scores

Average ACT scores of matriculated students for years shown:

Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
23.9	23.9	23.9	23.4	23.5

Geographic Concentrations of Students

	Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
Mobile County	5,038	5,099	5,313	5,655	6,088
Baldwin County	1,243	1,288	1,292	1,366	1,328
Other Alabama counties	2,850	3,128	3,274	3,278	3,186
Florida	1,028	975	1,007	1,033	1,066
Mississippi	1,306	1,231	1,201	1,147	1,217
Other states in the U.S.A.	2,526	2,364	2,362	2,353	2,363
International	233	312	385	737	1,195
Total	14,224	14,397	14,834	15,569	16,443

Main Schools in Competitive Group and Listed Tuition – 2020-2021 Academic Year:

	Undergraduate		Graduate	
	Resident	Non-Resident	Resident	Non-Resident
University of South Alabama	$9,870	$19,740	$10,608	$21,216
In-state reference group:				
Alabama A & M University	8,610	17,220	10,128	20,160
Alabama State University	8,328	16,656	9,888	19,776
Athens State University	6,180	12,360	6,936	12,000
Auburn University	10,080	30,240	10,080	30,240
Auburn University at Montgomery	9,990	22,440	10,104	22,728
Jacksonville State University	9,720	19,440	9,600	19,200
Troy University	9,750	19,500	10,200	20,400
University of Alabama	10,780	30,250	10,780	30,250
University of Alabama at Birmingham	10,710	25,500	10,800	25,584
University of Alabama in Huntsville	9,730	22,126	10,632	24,430
University of Montevallo	12,090	25,110	10,512	25,128
University of North Alabama	9,600	19,200	8,880	17,760
University of West Alabama	9,100	18,200	8,904	17,808
Mean of in-state reference group	9,590	21,403	9,803	22,305
Regional reference group:				
University of Southern Mississippi	8,786	10,786	8,786	10,786
University of New Orleans	8,772	13,608	9,108	13,678
University of West Florida	6,360	19,238	4,536	12,444
Mean of regional reference group	7,973	14,544	7,477	12,203

In-State Reference Group Source: Alabama Commission on Higher Education Annual Tuition Schedule

Certain Fees and Charges

The following shows the fee schedule for Undergraduate and graduate Arts and Sciences majors for the periods shown. The course fees for other majors are slightly higher. Except as otherwise indicated, course fees are per semester hour. Graduate School does not include the College of Medicine.

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Application fee	$35	$35	$35	$35	$35

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Registration fee (charged only if enrolled in less than 15 semester hours)	150	150	150	150	150
Late registration fee	100	100	100	100	100
In-state course fee, per semester hour					
Undergraduate	329	329	329	313	302
Graduate	442	442	442	421	407
Out-of-state course fee, per semester hour					
Undergraduate	658	658	658	626	604
Graduate	884	884	884	842	814

College of Medicine

Fees and certain charges for the College of Medicine were as follows for the periods indicated:

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Application fee	$110	$110	$75	$75	$75
Resource fee	472	472	436	436	400
Course fee, academic year					
In-state	31,004	31,004	31,004	30,101	29,083
Out-of-state	62,008	62,008	62,008	60,202	58,166

Degrees Awarded

The University awarded the following degrees for the academic years ending May 31 for the years shown below:

	2020	2019	2018	2017	2016
Baccalaureate	2,109	1,902	2,080	2,066	1,996
Masters	1,067	1,126	1,209	1,253	1,080
Para-professional certificates	216	207	273	188	169
Professional:					
M.D.	66	80	73	70	73
Ph.D.	37	33	25	31	32
Au.D.	9	13	11	11	10
D.P.T.	38	39	40	40	37
D.N.P.	166	157	185	96	135
Ed.D.	6	16	10	8	1
Total	3,498	3,366	3,633	3,575	3,364

Student Financial Aid

The University awarded and paid financial aid at the following levels for the following academic years, as follows:

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Federal government:					
Student Loans	$ 127,943,857	$128,987,195	$128,510,503	$129,303,631	$118,370,532

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Grants	19,780,863	21,951,792	21,855,448	20,719,720	20,258,516
Student employment	275,438	341,437	295,491	277,393	329,675
University:					
Loans	200,627	173,022	169,711	202,621	137,311
Scholarships	27,357,552	29,944,597	26,338,719	25,093,131	18,924,943
Total	$175,558,337	$181,398,043	$177,169,872	$175,596,496	$158,020,977

GOVERNING BODY

State law provides for a Board of Trustees as the governing body of the University with all of the rights, privileges and authority necessary to promote the purpose of its creation, which is to establish and provide for the maintenance and operation of a state university in Mobile County, Alabama. The Board of Trustees consists of sixteen members. The Governor is the ex officio President of the Board of Trustees. Three members of the Board of Trustees are appointed from Mobile County. Five members are appointed from the State at large. Two members are appointed from the United States at large. One member is appointed from each of the following state senatorial districts, or combinations thereof, as those districts were designated at the time the University was organized: (1) Sixteenth and Seventeenth Districts; (2) Nineteenth and Twentieth Districts; (3) Twenty-first District; (4) Twenty-third, Twenty-fifth, and Thirtieth Districts; and (5) Thirty-fifth District. All Trustees, except ex officio members, are appointed by the Governor by and with the advice and consent of the State Senate, and hold office for a term of six years and until their successors shall be appointed and qualified. The present members of the Board of Trustees are as follows:

Name of Trustee	Occupation	Current Term Expires
Katherine Alexis Atkins	Businesswoman	September 30, 2025
Dr. Scott A. Charlton	Physician	September 30, 2021
Mr. E. Thomas Corcoran	Businessman	September 30, 2021
Dr. Steven P. Furr	Physician	September 30, 2023
William Ronald Graham	Business Administration	September 30, 2023
Mr. Robert D. Jenkins, III	Businessman	September 30, 2025
Mrs. Arlene Mitchell	Philanthropist and Civic Volunteer	September 30, 2021
Lenus M. Perkins	Business Administration	September 30, 2023
Mr. James H. Shumock	Businessman	September 30, 2021
The Honorable Kenneth O Simon	Attorney	September 30, 2025
Mrs. Chandra Brown Stewart	Business Administration	September 30, 2025
Dr. Steven H. Stokes	Physician	September 30, 2023
Margie Malone Tuckson	Business Administration	September 30, 2023
The Honorable Michael P. Windom	Judge	September 30, 2025
Mr. James A. Yance	Attorney, Retired	September 30, 2021
The Honorable Kay Ivey	Governor, State of Alabama	Ex Officio

The organization below the Board of Trustees is composed of the President and eight Vice Presidents: Executive Vice President; Provost and Senior Vice President for Academic Affairs; Vice President for Development and Alumni Relations; Vice President for Student Affairs; Vice President for Medical Affairs and Dean of the College of Medicine; Vice President for Research and Economic Development; Vice President for Marketing and Communications; and Vice President for Finance and Administration.

The Board of Trustees appoints the President of the University. Dr. Tony G. Waldrop has served as President of the University since April 1, 2014. Dr. Waldrop is the third President in the history of the University.

Dr. Waldrop came to the University after serving four years as provost and executive vice president at the University of Central Florida, and in prior roles as vice chancellor for research and economic development at the University of North Carolina and vice chancellor for research at the University of Illinois. Dr. Waldrop received his Ph.D. from the University of North Carolina.

After a seven-year tenure as President of the University, on February 11, 2021, Dr. Waldrop announced his decision to retire from the University. Dr. Waldrop plans to remain as President of the University at least through the remainder of the current academic year. In the meantime, the University will organize a Presidential Search Committee to conduct a national search to identify a successor President of the University.

G. Scott Weldon is the Vice President for Finance and Administration. Mr. Weldon oversees the Finance and Administration Division of the University, which is collectively responsible for developing and overseeing the budget process, treasury and accounting, financial planning and analysis, facilities, human resources, risk management and the telecommunications systems for the University. Prior to his appointment as Vice President for Finance and Administration in October 2015, Mr. Weldon served as Assistant Vice President for Finance and Administration at the University. Mr. Weldon received his B.S. and M.A. from the University of Alabama.

HEALTH CARE SYSTEM

USA Health, a division of the University, is an academic healthcare system that consists of two academic tertiary hospitals, a cancer institute and a physician faculty practice. USAUH is a 406-licensed bed tertiary care center with the region's only Level 1 trauma center and burn center that supports the adult teaching and research missions of the USA College of Medicine. Recognized as a top performer on key quality measures, USAUH offers advanced treatment of stroke, cardiovascular disease and sickle cell disease. Patients treated at USAUH tend to require medically complex and extensive care and treatment. USAUH has seen a 91% increase in gastroenterology cases from 2013-2020. This growth is a result of USAUH's focus on research and services unique to the region, as well as high patient satisfaction ratings. Surgery cases at USAUH increased by 55% from fiscal year 2013 – 2020 and increased 10% from fiscal year 2019 to 2020, despite the pandemic. The total number of patients seen in the USAUH Trauma Center in 2019 was 28,914, an increase of 9% from fiscal year 2018. Trauma volume fell to 26,590 patients in fiscal year 2020 due to COVID-19. USAUH held a ribbon-cutting for its new 32,000 square foot trauma center in December 2020. The new center will replace the current 11,000 square foot emergency department. The move will allow for expansion of other services into the current 11,000 square foot old emergency department to include critical care beds. USAUH started fiscal year 2020 with 189 patient beds. In response to COVID-19, a 10-bed COVID-19 unit was opened in March 2020. Additionally, USAUH plans to open 34 inpatient beds on the hospital's 11th floor during fiscal year 2021. Gross Revenues of USAUH for the last nine fiscal years were as follows:

Year	Gross Revenues
2020	$662,620,142
2019	614,219,907
2018	474,193,133
2017	470,741,917
2016	406,528,233
2015	360,250,280
2014	348,119,160
2013	328,142,373
2012	308,341,443

USACW is a 152-licensed bed hospital dedicated to providing services to children and women. From 2013 to 2019, USACW experienced an 11% increase in pediatric emergency visits, but declined by the same metric in fiscal year 2020 due to COVID-19. Despite the pandemic, USACW experienced a 20% increase in surgeries from fiscal years 2013 through 2020. Between July 2019 and June 2020, USACW delivered 2,408 babies, which represents 40% of the babies born in Mobile County. The overall birth rate for Mobile County fell 9% from 2014 to 2018, with USACW's percentage of area births remaining constant. The services provided by USACW are among those provided by fewer than five hospitals nationwide that are dedicated solely to the provision of care for both children and women. USACW has the region's highest level Neonatal ICU unit, Pediatric ICU unit, 24-hour Pediatric Evaluation Unit, High-Risk Obstetrics program and Pediatric Surgery Anesthesia Services. USACW also supports the teaching and research missions of the University. In 2015, a 195,000 square foot expansion of USACW was placed into service. USACW has plans to renovate mother suites, converting every three (3) rooms into two (2) rooms, creating a better patient experience and making the service more competitive in the market. In addition, plans are being reviewed to enhance the USACW pediatric emergency room.

Gross Revenues of USACW for the last nine (9) fiscal years were as follows:

Year	Gross Revenues
2020	$393,098,849
2019	287,570,187
2018	249,122,847
2017	243,090,525
2016	248,819,071
2015	241,114,324
2014	219,808,672
2013	203,746,723
2012	211,758,092

USAMCI is the only academic cancer research and treatment center in the upper Gulf Coast corridor. Providing cancer care to a catchment area of over 4.1 million persons in a 150-mile radius, USAMCI brings state-of-the art, research-based cancer treatment to the region, serving over 2,700 new individual patients per year. Its capabilities span the entire continuum of cancer care, from prevention and early detection to treatment and survivorship. With a highly skilled and trained team of oncologists, USAMCI is improving cancer outcomes for patients, including the most vulnerable residents of the county, state and beyond. USAMCI provides cancer treatment in two Mobile, Alabama locations, as well as one in Fairhope, Alabama. For patients who are not candidates for traditional cancer therapy, USAMCI offers a host of clinical trials with over 80 patients enrolled in therapeutic clinical trials per year, approximately 22% of whom are minority patients. USAMCI has 12 Principal Investigators conducting research, funded through the National Institutes of Health, the Department of Defense, the American Cancer Society and other federal sources. As an integrated cancer treatment and research center, USAMCI provides innovative cancer care in a caring environment with 14 clinical faculty members, while accelerating research to enhance care delivery for future patients. USAMCI reported 2,708 new patient visits in fiscal year 2020, with 21,055 follow up visits. Of note, gynecology follow-up visits increased 10% and cyberknife treatments increased 233% from fiscal year 2019 to 2020. In addition, USAMCI opened a specialty pharmacy in July 2018, filling 4,277 prescriptions in fiscal year 2019 and 5,593 in fiscal year 2020 (a 31% increase). At the end of 2018, USAMCI was restructured and placed under USA Health leadership and operations versus operating as a stand-alone facility within the University. As a result, USAMCI has been able to leverage healthcare facilities to grow clinical opportunities. Additionally, USAMCI became provider-based with USACW in September 2019, and added state-of the-art monarch robotic bronchoscopy services, with 84 treatments in fiscal year 2020. These changes contributed to the increase in margin from a negative 7.6% in fiscal year 2019 to a positive 20.8% in fiscal year 2020. Gross Revenues of USAMCI for the last nine fiscal years were as follows:

Year	Gross Revenues
2020	$62,626,474
2019	51,099,476
2018	19,709,735
2017	19,933,067
2016	15,829,428
2015	18,048,802

2014	25,158,623
2013	22,038,595
2012	22,087,983

Comprised of more than 250 academic physicians on faculty at the USA College of Medicine, the Ambulatory Services physician faculty practice is the region's largest multi-specialty practice and the only academic physician's group along the central Gulf Coast. Ambulatory Services physicians practice throughout Mobile County, including at the University's hospital and clinic campuses and on the University's main campus. The Strada Patient Care Center, a 133,000 square foot building that was placed in service December 2016 and is located near USACW, provided 153 patient exam rooms, 16 nurses' stations, and 7 educational conference rooms. The physicians group has over 250 clinical providers and over 190 advanced practice providers that completed 182,764 clinic visits in fiscal year 2020. The collective mission of the Ambulatory Services health care providers is to deliver leading-edge care to patients and to support the larger mission of the USA College of Medicine in the education and training of students and resident physicians and in the advancement of medical care through medical research. Prior to July 1, 2016, Ambulatory Services was operated by the University of South Alabama Health Services Foundation (the "HSF"), a 501(c)(3) organization that has been included in the University's financial statements as a discretely presented component unit. As of July 1, 2016, Ambulatory Services activities were transferred by HSF to the University and the revenues and expenses of the faculty practice included in the University's Statement of Revenues, Expenses and Changes in Net Position. Gross charges by year from these activities were as follows:

Year	Gross Revenues
2020	$249,409,682
2019	176,840,712
2018	120,488,250
2017	125,686,741
2016	136,470,653

On May 2, 2017, the University formed the University of South Alabama Health Care Authority, an Alabama public corporation (the "USA HCA"), pursuant to Section 16-17A-1 *et seq.* of the Code of Alabama 1975, as amended. The University utilizes the USA HCA for certain administrative and personnel functions at USA Health. Medical practices included within USA HCA have generated revenues for the University. Indebtedness, if any, issued by USA HCA would not be secured by Pledged Revenues. Moreover, the University does not currently intend or expect the USA HCA to take title to any material health care assets of the University.

USA Health Care Authority has grown to more than 75 providers, including more than 50 physicians. Gross charges by year for HCA were as follows:

Year	Gross Revenues
2020	$32,026,193
2019	35,128,988
2018	24,243,252

KPMG has audited the financial statements for USA HCA for the fiscal year ended September 30, 2020. *See* Page 29 of Appendix A attached hereto.

ACADEMIC MEDICAL CENTERS

Academic Medical Centers ("AMCs") throughout the United States face a dynamic healthcare environment. These changes include potential funding reductions from governmental entities and insurance companies, as well as a transition from productivity to value-based reimbursements.

As a result, AMCs are evaluating their business models and restructuring themselves to respond to the current and future healthcare environments. Nationwide, AMCs are evaluating partnerships with other AMCs or even non-AMC healthcare providers. Consistent with this national trend, the University, although in the very early stage, is proactively addressing its structure and governance with respect to these issues.

USA TECHNOLOGY & RESEARCH CORPORATION

The USA Research and Technology Corporation ("USARTC") was incorporated in 2002 as a not-for-profit corporation under the laws of the State of Alabama. The mission of USARTC is to facilitate new and enhanced types of interaction between the University and the wider public and private sectors and to serve as a catalyst for regional development by furthering innovation and enterprise in a collaborative and principled fashion that respects and elevates the social and economic well-being of the community. The facilities of USARTC are located on approximately 160 acres adjacent to the main campus of the University, an area known as the USA Technology & Research Park (the "Park"). USARTC owns three buildings in the Park, which together comprise approximately 222,300 square feet of space available for lease, with approximately 200,000 square feet currently under lease.

Since USARTC's inception, total tenant employment (non-University) has grown to approximately 350, including approximately 50 University graduates. There were no student interns employed at the Park over the course of the past year due to COVID-19.

FACILITIES

Current Facilities

The University has 5,371,008 gross square feet of inventory space presently in use, including the USA Baldwin County-Fairhope Campus, USA Health University Hospital, USA Health Mitchell Cancer Institute, and USA Children’s & Women’s Hospital. Existing main campus structures include the Administration Building; Instructional Laboratory Building; Library; Biomedical Library; Chemistry Building; Life Science Building; Health, Physical Education and Recreation Building; Student Center; Humanities Building; Medical Sciences Building; Multi-Purpose Arena; Performing Arts Building; Business Building; Student Services Building; Archaeology Building; Intramural Fieldhouse; Transportation Services Building; three Technology and Research buildings; Shelby Hall; Health Science; Dining Facility; Faculty Club; Academic Services; Business Resource Center; Innovation in Learning Center; Education Services Building; Education and Outreach Building, and a variety of residence halls. The Bethel Theater, Mobile Townhouse, and Alumni Hall, all located on the campus, are renovated buildings of great historic value.

Historical details of construction, acquisition and renovations at the University campus are as follows:

Years of construction or acquisition	Gross Square Feet Constructed or Acquired	Gross Square Feet Renovated
Prior to 1960	1,091,119	207,676
1960-1969	813,280	302,671
1970-1979	1,046,420	192,963
1980-1989	597,710	81,712
1990-1999	277,443	-
2000-2009	550,333	153,575
2010-2015	714,605	502,204
2016-2020	859,527	231,306
Total	5,950,437	1,672,107

The campus is served by water, gas and electric utilities supplied by public utilities serving the greater Mobile metropolitan area.

Insurance

Claims for damages to the University's campus property are covered by the State Insurance Fund of the State of Alabama's Division of Risk Management. All buildings and contents are covered by the State Insurance Fund policy. The University uses two self-insured trust funds to pay general liability and professional liability claims. Injuries from work-related incidents to those employees covered by the University's self-insured health plan are covered by that plan. Work-related injuries to employees not covered by the health plan are reviewed by the State Board of Adjustment for final resolution.

Student Housing

University Owned Housing. With respect to on-campus student housing, approximately 2,332 beds (with capacity to expand up to 2,400 beds, if needed) are available for occupancy in campus student residences. Over the last five years, occupancy rates have averaged 92%, with the Fall 2020 semester at 79.8%. The decline in Fall 2020 occupancy is a result of the University revising its student housing model to provide a safer environment during COVID-19, which included reducing bed space to account for proper residential social distancing. As a result, the University opened with Fall 2020 capacity for University-owned housing at approximately 1,833 beds. The University intends to return to the space allocations in place prior to the COVID-19 pandemic once current distancing measures are no longer in place. Approximately 13% of total headcount enrollment occupied student housing for the Fall 2020 semester.

The University expects Spring 2021 semester housing to continue operating under current COVID-19 protocols. The residence halls opened January 18, 2021, with an occupancy of 1,778. There are 42 rooms reserved in the Delta residential community to be utilized as quarantine/isolation rooms, as needed, for student residents. The 42 quarantine rooms are typically double occupancy, but were converted to single occupancy in accordance with University COVID-19 protocols. Residence halls are scheduled to close May 7, 2021, for non-graduating residents, and May 9, 2021, for graduating residents.

Non-University Owned Housing. In addition to the approximately 2,332 University-owned beds, there are several apartment-style housing complexes not owned by the University but that focus on University students. One is located on campus and the rest are located off-campus. The on-campus complex was built on land leased by the University to a developer under a long-term lease, and the University is under no obligation to guarantee the financing relating to that complex, occupancy within that complex, or any other revenue or performance activity from the same. The off-campus complexes are built on land not owned by the University. These complexes offer approximately 3,000 beds.

SUMMARY INFORMATION RESPECTING STATE AND PRIVATE FUNDING

State Appropriations

The University has received appropriations from the State of Alabama for certain of its operating costs and other non-operating cash requirements, including capital expenditures. State appropriations may not lawfully be used for the payment of debt service on the Bonds, including the Series 2021 Bonds. There can be no assurance that future Legislatures will continue to make such appropriations, or, if made, that they will be timely or sufficient when added to operating revenues and General Fees, Auxiliary Enterprise Revenues, and Children's & Women's Hospital Revenues remaining after the payment of debt service, to cover in full, operating expenses of the University.

The following tabulation compiled by the University staff from University accounting records shows State appropriations to the University for the fiscal years ended September 30, 2016, through September 30, 2020:

Fiscal year ended September 30	Total Appropriations Authorized	Received
2020	$123,063,000	$123,063,000
2019	115,209,000	115,209,000
2018	107,284,718	107,284,718
2017	107,284,717	107,284,717
2016	104,976,761	104,976,756

Although not pledged for payment of debt service on the Bonds or otherwise subject to the lien of the Indenture, the University relies on State appropriations to fund basic operations, student services and other costs of the University. The Alabama State Legislature is considering the implementation of an outcomes-based funding model for a portion of state appropriations paid to State of Alabama universities, such as the University. In theory, an outcomes-based formula increases or reduces appropriations to a particular university based upon its success or failure, respectively, against certain established performance measures. This initiative is in the early phase, and, as such, it is not possible at this time to determine whether this initiative will be adopted and become part of the State appropriation process for public university funding or how the University's funding would be impacted.

Endowment Assets

Endowment assets for the University are deposited both in the University and in the Foundation (described below). Net endowment assets in the accounts of the University at September 30, 2020, were $189,080,729. Of the net endowment assets, $63,623,529 are classified as restricted, nonexpendable, $79,364,380 are classified as restricted, expendable, and $46,092,820 are classified as unrestricted. The Board of Trustees has an approved endowment management and investment policy that includes an established spending rate of 4.5% based on the 5-year moving average of net assets of endowments. In maintaining its endowment, it is the goal of the University to provide revenue while preserving principal to fund those projects which have been endowed for specific purposes. Net assets of endowments are allocated as follows at September 30, 2020:

Equities, Pooled direct investments and mutual funds	$86,722,799
Fixed income, pooled direct investments and mutual funds	47,661,897
Managed income alternative investments	41,330,347
Other	13,365,686
Total	$189,080,729

The University of South Alabama Foundation

The University of South Alabama Foundation (the "Foundation"), a legally separate entity, exists for the primary purpose of advancing the purpose of the University in furthering, improving and expanding its properties, services, facilities and activities. Its total assets at June 30, 2020, its most recent audited fiscal year-end, were $387,872,000, and its net assets were $387,123,000 at the same date. Assets are primarily invested in marketable securities (41%), timber and mineral properties (43%) and real estate (14%). Cash and non-cash distributions to the University over the past six fiscal years are, as reported in the audited financial statements of the Foundation for the years ended June 30, 2015, through June 30, 2020, as follows:

Fiscal Year Ended June 30,	Distributions
2020	$10,280,000
2019	9,755,000
2018	9,703,000
2017	9,603,000
2016[1]	10,561,000
2015	4,731,000

[1] In fiscal year 2010, the University and the Foundation executed a purchase and sale agreement calling for the University to sell approximately 327 acres on Mobile Bay, known as the Brookley campus, to the Foundation. The terms of the agreement required the Foundation to pay the University $20,000,000 - $4,000,000 at closing and $4,000,000 annually thereafter through fiscal year 2015. The distribution for the Foundation's fiscal year ended June 30, 2016 reflects the Foundation's completion of its obligations under the purchase and sale agreement and corresponding increase in annual distributions to the University.

Alabama Public School and College Authority Funding

On November 4, 2020, the Alabama Public School and College Authority, a public corporation under the laws of the State of Alabama ("APSCA"), issued a series of limited obligation bonds pursuant to Act No. 2020-167 enacted at the 2020 Regular Session of the Legislature of Alabama (the "2020 APSCA Act"). Pursuant to the 2020 APSCA Act, the University was allocated $18,159,466 in grant funding from APSCA out of proceeds from such bonds for payment of capital improvements on the campus of the University.

On November 19, 2020 Governor Ivey announced intended additional funding from the APSCA totaling $50,000,000 for application towards a new medical school building.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture, as heretofore amended and supplemented and as further amended and supplemented by the Eighteenth Supplemental Indenture, to which Indenture and Eighteenth Supplemental Indenture in their entirety reference is made for the detailed provisions thereof. Unless the context clearly indicates otherwise, all references herein shall be deemed to include the Series 2021 Bonds, the Outstanding Bonds, and any Additional Bonds hereafter issued under the Indenture.

As used in the following summary, the following definitions shall have the following respective meanings.

"*Annual Debt Service Requirement*" means, as of any date of determination, the amount of principal and interest maturing with respect to the then outstanding Bonds in such Bond Year; provided, (i) that the principal amount of any Bonds subject to a Mandatory Redemption Provision during such Bond Year shall, for purposes of this definition, be considered as maturing in the Bond Year during which such redemption is required and not in the Bond Year in which their stated maturity occurs; (ii) in the case of Bonds (whether outstanding or proposed to be issued) that bear interest at a variable or adjustable rate, the interest payable on such Bonds shall be calculated on the assumption that such Bonds bear interest at a fixed rate of interest estimated by a professional consulting firm or investment banking firm acceptable to the Trustee by reference to bonds of similar credit rating maturity and tax characteristics on the date such calculation is made; and (iii) for purposes of the foregoing formula, Bonds that are "deemed paid" under the Indenture shall not be deemed outstanding.

"*Bond Year*" means the period beginning November 2 in each calendar year and ending on November 1 of the next succeeding calendar year.

"*Interest Payment Date*" means (a) with respect to the Series 2021 Bonds, each April 1 and October 1, commencing October 1, 2021, and (b) with respect to any series of Additional Bonds, such date or dates as shall be specified in the Supplemental Indenture pertaining to such Additional Bonds as the dates for payment of interest of such Additional Bonds.

"*Mandatory Redemption Provision*" means any provisions that may be set forth in a Supplemental Indenture for mandatory redemption of any Additional Bonds at a redemption price equal to the principal amount thereof.

"*Principal Payment Date*" means (a) with respect to the Series 2021 Bonds, each April 1 commencing April 1, 2022, and (b) with respect to any series of Additional Bonds, a date (which shall in every case be the first day of a Month) specified in the Supplemental Indenture pertaining to such Additional Bonds as a date for payment of principal of such Additional Bonds.

"*Supplemental Indenture*" means an agreement supplemental to the Indenture.

Special Funds

Bond Fund. The Indenture provides for the creation of a special trust fund called the "Bond Principal and Interest Fund." The University is required to pay into the Bond Fund, in addition to all other amounts required by the Indenture, the following:

(a) Contemporaneously with the issuance and sale of any of the Bonds and out of the proceeds derived from such sale, the University (or the Trustee on behalf of the University) is required to pay into the Bond Fund such part of the proceeds from the sale as is allocable to premium (if any) and accrued interest.

(b) On or before the Business Day next preceding each Interest Payment Date until the principal and the interest on the Bonds is paid in full, the University is required to pay into the Bond Fund, out of the Pledged Revenues, an amount equal to the sum of (i) the semiannual installment of interest that will mature on the Bonds on the then next succeeding semiannual Interest Payment Date with respect thereto, plus (ii) the principal that will become due on the Bonds on the then next succeeding Principal Payment Date, plus (iii) the principal required to be redeemed on the next succeeding Principal Payment Date pursuant to any Mandatory Redemption Provision.

All moneys paid into the Bond Fund are required to be used only for payment of the principal of and the interest on the Bonds upon or after the respective maturities of such principal and interest and to redeem Bonds subject to a Mandatory Redemption Provision. If at the final maturity of the Bonds, however, such Bonds may mature, there are in the Bond Fund moneys in excess of what is required to pay in full the principal of and the interest on the Bonds, then any such excess will be returned to the University.

Prior to the issuance of any Additional Bonds, there shall be executed and delivered a Supplemental Indenture containing a provision that the semiannual payments into the Bond Fund be adjusted to provide for such additional amounts as may be necessary to pay the principal of and interest on such Additional Bonds; provided, however, that in making such adjustment the principal amount of any such Additional Bonds required by the terms of the Supplemental Indenture to be redeemed during any Bond Year shall be considered as maturing in the Bond Year during which such redemption is required and not in the Bond Year in which their stated maturity occurs.

Additional Bonds

The Indenture authorizes the issuance of Additional Bonds, subject to the provisions of the Indenture. Among the conditions to the issuance of any Additional Bonds are the following:

(a) Supplemental Indenture. Prior to the issuance of any Additional Bonds, there shall be executed and delivered a Supplemental Indenture containing: (i) a description of the Additional Bonds proposed to be issued, including the date, the aggregate principal amount, the series designation, the denomination or denominations, the interest rate or rates (or provisions for determining the same), the maturity or maturities, the form of such Additional Bonds, and any provisions for redemption thereof prior to their respective maturities; (ii) a statement of the purpose or purposes for which the Additional Bonds are proposed to be issued; and (iii) any other provisions that do not conflict with the provisions of the Indenture.

(b) Certificate as to Pledged Revenues. The item or items required by either of the following subparagraphs (i) or (ii):

(i) A certificate by the Vice President for Finance and Administration of the University certifying that the amount of Pledged Revenues received during the Fiscal Year next preceding the date of the issuance of the Additional Bonds then proposed to be issued was not less than 125% of the maximum Annual Debt Service Requirement with respect to the then current or any then succeeding Bond Year immediately following the issuance of the then proposed Additional Bonds, which certificate shall set forth the figures on which it is based and shall recite that the Pledged Revenues for such Fiscal Year specified therein were taken from the annual audit of the University for such Fiscal Year or, if such audit shall not have been completed for the most recent Fiscal year at the date of such certificate, were taken from the official records of the University, or

(ii) A Resolution or Resolutions adopted by the University after the commencement of the Fiscal Year next preceding the issuance of the then proposed Additional Bonds either (i) increasing the General Fees, or (ii) levying new fees and charges of a type or kind different from the General Fees, or (iii) a combination thereof, accompanied by a certificate of the Vice President for Finance and Administration stating that if the increased General Fees or the new fees set forth in the said Resolution or Resolutions had been in effect throughout the Fiscal Year next preceding the date of issuance of the then proposed Additional Bonds, the amount of Pledged Revenues during the Fiscal Year next preceding the date of issuance of the then proposed Additional Bonds would have been not less than 125% of the maximum Annual Debt Service Require1nent during the then current or any then succeeding Bond Year with respect to Bonds that will be outstanding immediately following the issuance of the then proposed Additional Bonds; and

(c) Opinion of Independent Counsel. An opinion dated on the date of issuance of such Additional Bonds, signed by Independent Counsel acceptable to the Trustee, approving the forms of all documents required above to be delivered to the Trustee and reciting that they comply with the applicable requirements set out above.

Maintenance of Pledged Revenues

The University has covenanted in the Indenture that, so long as any of the Bonds remain outstanding and unpaid, the University will fix, levy and collect General Fees and Auxiliary Enterprises Revenues from all students attending the University during each Fiscal Year in such amounts and at such times as shall be required to produce revenues sufficient to pay the principal of, unamortized premium, if any, and interest on the Bonds during the same Fiscal Year. No covenant with respect to the Children's & Women's Hospital Revenues has been made.

Supplemental Indentures

Supplemental Indentures Without Bondholder Consent. The University and the Trustee may at any time and from time to time enter into such Supplemental Indentures (in addition to such Supplemental Indentures as are otherwise provided for in the Indenture) as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

(a) to add to the covenants and agreements of the University contained in the Indenture other covenants and agreements thereafter to be observed and performed by the University, provided that such other covenants and agreements may not either expressly or impliedly limit or restrict any of the obligations of the University contained in the Indenture;

(b) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provisions contained in the Indenture or in any Supplemental Indenture or to make any provisions with respect to matters arising under the Indenture or any Supplemental Indenture for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of the Indenture or any Supplemental Indenture and do not adversely affect the interests of the holders of the Bonds;

(c) to subject to the pledge contained in the Indenture additional revenues or to identify more precisely any of the revenues of the University subject to the Indenture;

(d) to cause the Indenture to comply with the provisions of the Trust Indenture Act of 1939 or such other federal securities laws as may hereafter be applicable to the Indenture; or

(e) to provide for the issuance of Additional Bonds in accordance with the Indenture.

Any such Supplemental Indenture will not require the consent of any bondholders.

Supplemental Indentures Requiring Bondholders Consent. In addition to those Supplemental Indentures described above, the Indenture provides that the University and the Trustee may, at any time and from time to time, with the written consent of the holders of not less than a majority in aggregate principal amount of Bonds then outstanding, enter into such Supplemental Indentures as shall be deemed necessary or desirable by the University and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the term or provisions contained in the Indenture or in any Supplemental Indenture; provided that without the written consent of the Holder of each Bond affected, no reduction in the principal amount of, rate of interest on, or the premium payable upon the redemption of, any Bond shall be made; and provided, further, that, without the written consent of the holders of all the Bonds, none of the following shall be permitted:

(a) an extension of the maturity of any installment of principal of or interest on any Bond;

(b) any change in any Mandatory Redemption Provision;

(c) the creation of a lien or charge on the Pledged Revenues ranking prior to or (except in connection with the issuance of Additional Bonds) on a parity with the lien or charge thereon contained in the Indenture;

(d) the establishment of preferences or priorities as between the Bonds (but only with respect to the security provided for all Bonds); or

(e) a reduction in the aggregate principal amount of Bonds the holders of which are required to consent to such Supplemental Indenture.

[Any Supplemental Indenture that requires the consent of holders of the Series 2021 Bonds or adversely affects the rights or interests of _____ shall also be subject to the prior written consent of _____.]

Upon the execution of any Supplemental Indenture under and pursuant to the provisions described above, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the University, the Trustee and all holders of the Bonds then outstanding shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

Defaults and Remedies

Events of Default under the Indenture include the following:

(a) failure by the University to pay principal of, the interest on or the premium (if any) on any Bond as and when the same shall become due, as provided therein and in the Indenture (whether such shall become due pursuant to any Mandatory Redemption Provisions or otherwise);

(b) failure by the University to perform and observe any of the agreements and covenants on its part contained in the Indenture (other than in the manner described in (a) above) which such failure continues for a period of not less than thirty (30) days after written notice of such failure has been given to the University by the Trustee or by the holders of not less than twenty-five percent (25%) in outstanding amount of Bonds, unless during such period or any extension thereof the University has commenced and is diligently pursuing appropriate corrective action; or

(c) determination by a court having jurisdiction that the University is insolvent or bankrupt, or appointment by a court having jurisdiction of a receiver for the University or for a substantial part thereof, or approval by a court of competent jurisdiction of any petition for reorganization of the University or rearrangement or readjustment of the obligations of the University under any provisions of the bankruptcy laws of the United States of America or the State of Alabama.

Upon the occurrence of an Event of Default the Trustee shall have the following rights and remedies:

(a) Acceleration. The Trustee may, by written notice to the University and with the consent of the bond insurer respecting any Bonds then outstanding and insured thereby, declare the principal of all the Bonds forthwith due and payable, and such principal shall thereupon become and be immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding. If, however, the University makes good that default and every other default under the Indenture (except for those installments of principal declared due and payable that would, absent such declaration, not be due and payable), with interest on all overdue payments of principal and interest, and made reimbursement of all of the reasonable expenses of the Trustee, then the Trustee may (and, if requested in writing by the holders of a majority in principal amount of the then outstanding Bonds, shall), by written notice to the University, waive such default and its consequences, but no such waiver shall affect any subsequent default or right relative thereto.

(b) Mandamus and Other Remedies. The Trustee shall have the right of mandamus or other lawful remedy in any court of competent jurisdiction to enforce its rights and the rights of the holders of the Bonds against the University and any officers, agents or employees of the University, including but not limited to the right to require the University and its officers, agents or employees to perform and observe all of its or their duties under Section 16-3-28 of the Code of Alabama 1975, as amended.

[Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuation of a default or an Event of Default, _______________ shall be deemed the sole holder of the Series 2021 Bonds and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Series 2021 Bonds under the Indenture, and no default or Event of Default may be waived without the prior written consent of ____.]

Concerning the Trustee

The Trustee shall be under no obligation to institute suit or to take any proceedings under the Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant or to take steps in the execution of trust created or in the enforcement of any rights or powers under the Indenture, until it shall be indemnified to its satisfaction against any and all costs and expense, outlays and counsel fees and other reasonable disbursements and against all liability.

The Trustee shall not be liable in connection with the performance of its duties under the Indenture except for its gross negligence or willful misconduct.

The University has agreed to pay to the Trustee from time to time reasonable compensation for all services rendered by it under the Indenture, including the services of bond registrar and paying agent and also all of its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys and employees incurred in and about the performance of its powers and duties under the Indenture prior to the Bonds. Nothing contained in the Indenture or any supplemental indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it believes that the repayment of such funds or the making whole in respect of such liability is not reasonably assured to it.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a division of the McGraw-Hill Companies, Inc. ("S&P"), have given the Series 2021 Bonds an underlying rating of "A1" and "A+", respectively. The underlying rating provided by each of Moody's and S&P (collectively, the "Rating Agencies") reflects that agency's rating of the creditworthiness of the University with respect to obligations payable from the Pledged Revenues.

Any further explanation of the significance of such ratings may be obtained only from the appropriate Rating Agency. The University furnished to the Rating Agencies the information contained in this Official Statement and certain other information respecting the University and the Series 2021 Bonds. Generally, rating agencies base their underlying ratings on such materials and information, as well as on their own investigations, studies and assumptions.

The ratings indicated on the cover page are not recommendations to buy, sell or hold the Series 2021 Bonds, and any such ratings may be subject to revision or withdrawal at any time by the Rating Agencies. Any downward revision or withdrawal of any or all of such rating may have an adverse effect on the market price of the affected Series 2021 Bonds. Neither the University nor the Underwriters have undertaken any responsibility either to bring to the attention of the holders of Series 2021 Bonds any proposed revision, suspension or withdrawal of a rating or to oppose any such revision, suspension or withdrawal.

LITIGATION

To the best of the University's knowledge, there is no litigation pending or threatened (i) restraining or enjoining the issuance or delivery of the Series 2021 Bonds, (ii) contesting or affecting the validity of the Series 2021 Bonds or the proceedings or authority under which they are to be issued, (iii) contesting the creation, organization or existence of the University or the title of any of its present officials to their respective offices, or (iv) contesting the right of the University to enter into the financing documents to which it is a party or to secure the Series 2021 Bonds in accordance with the Indenture.

The University and its hospitals are immune from suit in medical malpractice matters; however, such claims may still be brought against healthcare providers employed to provide such services on behalf of the University. These providers are insured by the University's Professional Liability Trust Fund. If a final judgment were entered in any professional liability action in an amount in excess of its insurance coverage, the University would not be liable for the excess.

The University has been notified by the Equal Employment Opportunity Office ("EEOC") of charges filed with the EEOC against the University or its employees. The charges arise from alleged employment practices or policies. Should a lawsuit arise out of such charges, they would be covered by the University's General Liability Trust Fund.

Finally, the University has been notified of claims filed against it in the State Board of Adjustment. None of the aforementioned charges or claims involve any significant sums in excess of the sums otherwise provided for and would not have an impact upon the collection of the Pledged Revenues. In the opinion of the University's General Counsel, the aggregate exposure of the University with respect to all pending claims and suits would not be material to the University's financial position.

LEGAL MATTERS

The Series 2021 Bonds will be issued subject to the approving opinion of Bradley Arant Boult Cummings LLP, Birmingham, Alabama, Bond Counsel to the University. It is anticipated that the opinion of Bond Counsel to the University will be in substantially the form set forth in Appendix B.

The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the authoring firm or attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon or the future performance of parties to the transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

General

In the opinion of Bradley Arant Boult Cummings LLP, Bond Counsel to the University, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Series 2021 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code. In rendering its opinion, Bond Counsel to the University has relied on certain representations, certifications of fact and statements of reasonable expectations made by the University and others in connection with the Series 2021 Bonds, and Bond Counsel to the University has assumed compliance with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2021 Bonds from gross income under Section 103 of the Code.

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the Series 2021 Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds.

<u>Certain Ongoing Federal Tax Requirements and Covenants</u>. The Code establishes certain significant ongoing requirements that must be met subsequent to the issuance and delivery of the 2020 Bonds in order that interest on the Series 2021 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2021 Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2021 Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The University has covenanted to comply under the Indenture with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2021 Bonds from gross income under Section 103 of the Code.

<u>Certain Collateral Federal Tax Consequences</u>. The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2021 Bonds. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of any Series 2021 Bonds. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of Series 2021 Bonds.

Prospective owners of the Series 2021 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes. Interest on the Series 2021 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

[<u>Original Issue Discount</u>. The initial public offering price to be paid for certain of the Series 2021 Bonds (the "Original Issue Discount Series 2021 Bonds") is less than the principal amount thereof. Under existing law, the difference between (i) the amount payable at the maturity of each Original Issue Discount Series 2021 Bond, and (ii) the initial offering price to the public of such Original Issue Discount Series 2021 Bond constitutes original issue discount with respect to such Original Issue Discount Series 2021 Bond in the hands of any owner who has purchased such Original Issue Discount Series 2021 Bond in the initial public offering of the Series 2021 Bonds.

Under existing law, the original issue discount on each Original Issue Discount Series 2021 Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary date of the Series 2021 Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Series 2021 Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other taxable disposition thereof. The amount (if any) to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods (if any) multiplied by the yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Series 2021 Bonds.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Series 2021 Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Series 2021 Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Series 2021 Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Discount Series 2021 Bonds.]

[Original Issue Premium. The initial public offering price to be paid for the Series 2021 Bonds (the "Original Issue Premium Series 2021 Bonds") is greater than the principal amount thereof. Under existing law, any owner who has purchased an Original Issue Premium Series 2021 Bond in the initial public offering of the Series 2021 Bonds is required to reduce his basis in such Original Issue Premium Series 2021 Bond by the amount of premium allocable to periods during which he holds such Original Issue Premium Series 2021 Bond, and the amount of premium allocable to each accrual period will be applied to reduce the amount of interest received by the owner during each such period. All owners of Original Issue Premium Series 2021 Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Premium Series 2021 Bond and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Premium Series 2021 Bond.]

Bank Qualification. The Series 2021 Bonds have not been designated as "qualified tax-exempt obligations" under Section 265 of the Code.

Post-Issuance Matters. The tax-exempt status of the Series 2021 Bonds could be affected by post-issuance events. *See* "SPECIAL CONSIDERATIONS RESPECTING THE SERIES 2021 BONDS – Tax-Exempt Status of Series 2021 Bonds" herein. The Indenture does not provide for mandatory redemption of the Series 2021 Bonds or payment of any additional interest or penalty if a determination is made that the Series 2021 Bonds do not comply with the existing requirements of the Code, if a subsequent change in law adversely affects the tax-exempt status of the Series 2021 Bonds or the economic benefit of investing in the Series 2021 Bonds or if any other event or occurrence takes place that impacts the tax status of the Series 2021 Bonds.

CONTINUING DISCLOSURE

Under a Continuing Disclosure Agreement, dated the date of the Series 2021 Bonds (the "Continuing Disclosure Agreement"), the University has agreed to provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") using its electronic municipal market access system (referred to as "EMMA"), certain updated financial information and operating data annually, and timely notice of specified events for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

See Appendix C for a form of the Continuing Disclosure Agreement relating to the Series 2021 Bonds.

A failure by the University to comply with the Continuing Disclosure Agreement will not constitute an event of default under the Indenture. Beneficial owners of the Series 2021 Bonds are limited to the remedies described in the Continuing Disclosure Agreement. A failure by the University to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2021 Bonds in the secondary market.

Compliance with Prior Continuing Disclosure Agreements

In connection with the prior issuance of certain of the Outstanding Bonds, the University has entered into other continuing disclosure agreements under the Rule. Certain supplemental financial and operating data for the fiscal year ended September 30, 2015, required by the prior agreements was not timely filed through EMMA, and the University did not file a notice of late filing of the same as required by the Rule. The University also did not file notice of the incurrence of a financial obligation it had entered on January 14, 2021, until February 17, 2021.

Effective August 2016, the University adopted new procedures intended to improve timeliness of its required filings under the Rule. In addition, the University made a remedial filing on EMMA containing the required supplemental financial and operating data for the fiscal year ended September 30, 2015. The University also prepared a template into which all financial and operating data can be compiled into a single document for future filings.

THE UNIVERSITY UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD LOOKING STATEMENT AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHER INFORMATION.

STATE NOT LIABLE ON SERIES 2021 BONDS

The Series 2021 Bonds are limited obligations of the University payable solely out of, and secured by a pledge of, the Pledged Revenues. Neither the principal of nor the interest on the Series 2021 Bonds nor the aforesaid pledge or any other agreement contained in the Indenture shall constitute an obligation of any nature whatsoever of the State of Alabama, and neither the Series 2021 Bonds nor any obligation arising from said pledge or agreements shall be payable out of any moneys appropriated to the University by the State of Alabama.

FINANCIAL INFORMATION

Appendix A contains audited financial statements of the University for the fiscal year ended September 30, 2020. KPMG LLP, the University's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein as Appendix A, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Official Statement including, without limitation, statements containing the words "estimates," "believes," "anticipates," "expects" and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the University or other entities to which the forward-looking statements relate to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the University. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. The University and the Underwriters disclaim any obligation to update any such factors or to publicly announce the results of any revision to any of the forward-looking statements contained herein to reflect future events or developments.

SPECIAL CONSIDERATIONS RESPECTING THE SERIES 2021 BONDS

General

An investment in the Series 2021 Bonds involves certain risks which should be carefully considered by investors. The sufficiency of Pledged Revenues to pay debt service on the Series 2021 Bonds may be affected by events and conditions relating to, among other things, general economic conditions, population in the University's basic service area, the demand for higher education and legislative and administrative requirements on the University's operations.

Prospective investors should carefully examine this Official Statement and their own financial condition in order to make a judgment as to their ability to bear the economic risk of such an investment and whether or not the Series 2021 Bonds are an appropriate investment for them.

Holders of the Series 2021 Bonds should be aware that their rights and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

Limitations on Source of Payment, Security and Remedies

<u>Limited Source of Payment</u>. The Series 2021 Bonds will be limited obligations of the University, payable solely from, and secured by a pledge of, the Pledged Revenues. *See* "SECURITY AND SOURCE OF PAYMENT."

The Series 2021 Bonds will not be debts or obligations of the State of Alabama, and debt service on the Series 2021 Bonds will not be payable out of any money provided or appropriated to the University by the State of Alabama. Holders of the Series 2021 Bonds shall never have the right to demand payment of the Series 2021 Bonds from the University from any source other than the special funds established under the Indenture and the Pledged Revenues and shall be entitled to payment from such sources only on a parity basis with all other bonds outstanding under the Indenture.

<u>Additional Debt</u>. All Bonds are secured on a parity by the lien on Pledged Revenues. If the University incurs additional debt secured by the Indenture, the security interest in Pledged Revenues for the benefit of Bondholders will in effect be diluted.

<u>Hospitals Are Limited Use Facilities</u>. The hospitals and other health care facilities of the University, which are operating assets of the University, are limited use facilities, suitable primarily for hospital or health care purposes. Consequently, the market for sale or other disposition of such facilities is limited. In the event of a sale of such facilities, whether in a bankruptcy proceeding or otherwise, the number of potential purchasers and the sale price may be affected by the limited possible use.

Limitation on Remedies Upon Default. The Indenture does not constitute a mortgage on or security interest in any properties of the University, and no foreclosure or sale proceedings with respect to any property of the University may occur. The University is exempt from all suits under the doctrine of sovereign immunity, but state law provides that agents and employees of the University may, by mandamus, be compelled to apply the Pledged Revenues to the payment of the Series 2021 Bonds in accordance with the terms of the Indenture.

The remedies available to the registered holders of the Series 2021 Bonds upon the occurrence of a default under the Indenture are in many respects dependent upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing law, the remedies provided under the Indenture may not be readily available or may be limited, and no assurance can be given that a mandamus or other legal action to enforce payment under the Indenture would be successful. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds will be qualified as to enforceability of the various legal instruments, limitations imposed by bankruptcy, reorganization, insolvency or similar laws affecting the rights of creditors generally and by judicial discretion applicable to equitable remedies and proceedings generally.

Health Care Industry Factors

The health care industry is subject to a number of factors that could adversely affect the business prospects of the University. Among those factors are the following:

The Health Care Industry is Highly Regulated. The health care industry is highly regulated by the federal and state governments. These regulations relate to areas such as the required delivery of care whether or not patients have the resources for payment, the quality of care and outcomes of health care services provided, excessive re-admission of patients, accuracy of billing and collecting for services rendered, privacy of patients and their health care information, and the relationship between providers and physicians who refer patients to the provider’s health care facilities. For providers organized as charitable organizations under Section 501(c)(3) of the Internal Revenue Code there are additional regulations that must be satisfied to preserve tax-exempt status. The cost of compliance with these regulations is significant.

Payment Systems. USA Health derives most of its revenues from Medicare, Medicaid, Blue Cross and other third party payor programs. Such programs may provide payment for services rendered to their beneficiaries in an amount that is less than actual patient charges. These payment systems are complex, subject to periodic change, and require a high degree of accuracy in the billing and collecting process. Failure to submit accurate billing may result in large financial penalties or claims or disqualification from the programs. Penalties or claims may be from governmental authorities, such as the Justice Department and the Office of Inspector General, independent auditing firms under contract with the government, or from private litigants under so-called "qui tam actions."

Alternate Payment Systems. The payment systems for health care services may be expanded to cover capitation or other coverage programs in which the providers assume the risk of health care services for a defined population. The University currently does not provide coverage on a capitated basis; however, the development of such coverage programs in the University’s market could force the University to assume increased risk for the amount and cost of services it provides.

Health Care Reform. In 2010, Congress adopted extensive health reform legislation commonly referred to as the Affordable Care Act (the "ACA"). This legislation attempts to extend commercial insurance coverage and Medicaid coverage to many patients not previously covered. The State of Alabama declined the ACA option to expand the Medicaid coverage, which reduces the amount of reimbursement that might otherwise be available to the health care facilities operated by the University. This legislation also imposes numerous operating and reporting requirements on health care providers. Implementation of the various ACA initiatives will take several years and will require extensive time and expense. Implementation has been and continues to be uncertain. It is expected that governments will continue to consider various reform proposals in the health care industry. If adopted, such proposals may subject health care providers like the University to increased compliance requirements, reduced reimbursement for services, increased costs, or a combination of such results.

Trend Toward Large-Deductible Insurance Policies. Coverage provided by insurance is trending toward large deductibles or self-insurance retention for patients, which reduces the required premiums but increases out-of-pocket expense for the insured. These large deductible policies can be expected to increase the challenge of collecting for services rendered and may result in an increase of bad debt expense for health care providers.

Budgetary Pressure for Medicare and Medicaid Funding. Medicare and Medicaid are government-sponsored programs. Funding for those programs is subject to the legislative process of federal and state governments. The spending policies or deficit reduction initiatives of those governments have resulted in significant reductions in reimbursement for health care services in the past and can be expected to apply pressure on reimbursement for the foreseeable future.

Competition from Other Providers. The health care industry is highly competitive. Other health care providers may develop competing facilities or services in the University's service area. Competing facilities or services may include, among others, new hospitals, specialty hospitals, outpatient facilities, and managed care or insurance products. Other forms of competition could also affect the University's ability to maintain or improve its market share, including increasing competition (1) between physicians who generally use hospitals and non-physician practitioners such as nurse practitioners, chiropractors, physical and occupational therapists and others who may not generally use hospitals, and (2) from nursing homes, home health agencies, ambulatory care facilities, surgical centers, outpatient radiology centers, rehabilitation and therapy centers, physician group practices and other non-hospital providers of many services for which patients generally rely on hospitals currently.

Capital Investment and Technology. The technology for diagnosis and treatment of patients changes rapidly and requires large capital investment on an ongoing basis in order for a health system to meet the needs of its patients.

Other Factors Affecting the Health Care Industry. In addition to the factors discussed above, the following additional factors, among others, may adversely affect the operations of health care providers, including the University:

(a) Increased efforts by insurers, private employers and governmental agencies to limit the cost of hospital services, to reduce the number of hospital beds and to reduce utilization of hospital facilities by such means as preventive medicine, improved occupational health and safety and outpatient care.

(b) Termination of existing agreements between a provider and employed physicians who render services to the provider's patients or alteration of referral patterns by independent physicians and physician groups.

(c) The availability and cost of insurance or self-insurance to protect against malpractice and general liability claims.

(d) Environmental and hazardous waste disposal regulations.

(e) Future legislation and regulations affecting the tax-exempt status of governmental and 501(c)(3) hospitals or imposing additional requirements on qualification.

(f) The reduced need for hospitalization or other traditional health care services as a result of medical and other scientific advances.

(g) Imposition of wage and price controls for the health care industry.

(h) The availability of or cost of retaining nursing, technical or other health care personnel.

(i) The spread of any bacteria, virus or infectious disease that is resistant to existing drugs or medical treatment.

(j) Reduction in population, increased unemployment or other adverse economic conditions in the market.

Factors Affecting Academic Medical Centers

Academic medical center hospitals, like those operated by the University, are subject to certain negative credit factors that do not affect other not-for-profit hospitals. Among those factors are the following:

Special Revenue and Expense Challenges. The research and teaching divisions at academic medical centers often operate at break-even or deficit levels. Funding these missions sometimes requires organizational subsidies that can detrimentally affect the hospital's overall operating performance. Fundraising, endowment spending and excess cash generated from patient care can be used to support the non-clinical departments at an academic medical center, but these sources of funding may not be enough to offset the drag on operating funds.

Negative Reimbursement Pressure from Medicare and Medicaid. The federal government has proposed a reduction in graduate medical education funding from CMS as one way to address federal budget challenges. Although funding cuts would impact all teaching hospitals with medical residents, academic medical centers would be disproportionately impacted due to higher numbers of residents and greater indirect cost payments for high acuity services performed. In addition, securing federal funding for research has become increasingly competitive among research institutions, primarily due to federal budget constraints. Changes in federal funding patterns could adversely affect academic medical centers and their ability to make debt service payments.

Inordinately High Exposure to Medicaid Patients. Many academic medical centers provide a disproportionate amount of charity care in their communities, which results in high exposure to Medicaid patients and receipt of Disproportionate Share Funding ("DSH"). Medicaid reimbursement cuts in recent years have disproportionately impacted academic medical centers. Additionally, reductions in DSH payments were mandated by the ACA beginning in 2016.

Increased Financial Support for Sponsoring University. Academic medical centers are increasingly facing requests for financial transfers to their associated universities to support strategic investments, program development and educational activities. These financial transfers are typically negotiated between the university and the hospital on an annual basis, and immediate needs at the university level could lead to a growing financial subsidy. These payments could adversely affect the academic medical center's operating performance.

State Proration

The State of Alabama appropriates money each year to the University for operating costs and non-operating cash requirements, including capital expenditures. Because the State is mandated by its constitution to operate with a balanced budget, the State occasionally has reduced its appropriations, through a process known as "proration", when its annual revenues are not expected to meet budgeted appropriations. The last fiscal year in which State appropriations were "prorated" was fiscal year 2011. It is possible that proration may be implemented from time to time in the future and, when proration does occur, the University may be required to implement various cost-saving measures in order to balance its own budget. Although proration may impact the University's budget, the Series 2021 Bonds are not payable from State appropriations.

Certain Factors Affecting Pledged Revenues

No representation can be made and no assurance can be given that receipts from the Pledged Revenues will be sufficient to make the required payment of debt service on the Series 2021 Bonds and to pay necessary operating expenses. The amount of Pledged Revenues collected by the University will be subject to a variety of factors that could adversely affect debt service coverage on the Series 2021 Bonds, including general economic conditions, population in the University's basic service area, the demand for higher education, and the impact of legislative and administrative requirements on the University's operations.

Tax-Exempt Status of Series 2021 Bonds

It is expected that the Series 2021 Bonds will qualify as tax-exempt obligations for federal income tax purposes as of the date of issuance. *See* "TAX MATTERS – General.". It is anticipated that Bond Counsel to the University will render an opinion substantially in the form attached hereto as Appendix B, which should be read in its entirety for a complete understanding of the scope of the opinions and the conclusions expressed therein. A legal opinion expresses the professional judgment of the attorney rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The tax status of the Series 2021 Bonds could be affected by post-issuance events. There are various requirements of the Internal Revenue Code that must be observed or satisfied after the issuance of the Series 2021 Bonds in order for the Series 2021 Bonds to qualify for, and retain, tax-exempt status. These requirements include appropriate use of the proceeds of the Series 2021 Bonds, use of the facilities financed by the Series 2021 Bonds, investment of bond proceeds, and the rebate of so-called excess arbitrage earnings. Compliance with these requirements is the responsibility of the University.

The Internal Revenue Service (the "IRS") conducts an audit program to examine compliance with the requirements regarding tax-exempt status. Under current IRS procedures, in the initial stages of an audit with respect to the Series 2021 Bonds, the University would be treated as the taxpayer, and the owners of the Series 2021 Bonds may have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2021 Bonds could adversely affect the market value and liquidity of the Series 2021 Bonds, even though no final determination about the tax-exempt status has been made. If an audit results in a final determination that the Series 2021 Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2021 Bonds.

In addition to post-issuance compliance, a change in law after the date of issuance of the Series 2021 Bonds could affect the tax-exempt status of the Series 2021 Bonds or the effect of investing in the Series 2021 Bonds. For example, the federal government is considering various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws. The exemption for interest on tax-exempt bonds is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would eliminate the exemption for interest on tax-exempt bonds. Other proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on tax-exempt bonds. Changes in the rate of the federal income tax, including so-called "flat tax" proposals, could also reduce the value of the exemption. Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt bonds already outstanding, including the Series 2021 Bonds offered pursuant to this Official Statement, as well as bonds issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in the Series 2021 Bonds. Investors should consult their own tax advisers about the prospects and possible effect of future legislation that could affect the exemption for interest on tax-exempt bonds.

The Indenture does not provide for mandatory redemption of the Series 2021 Bonds or payment of any additional interest or penalty if a determination is made that the Series 2021 Bonds do not comply with the existing requirements of the Code, if a subsequent change in law adversely affects the tax-exempt status of the Series 2021 Bonds or the economic benefit of investing in the Series 2021 Bonds, or if any other event or occurrence takes place that impacts the tax status of the Series 2021 Bonds.

The United States Bankruptcy Code

Chapter 9 of Title 11 of the United States Code, 11 U.S.C. 101, *et seq.* (the "Bankruptcy Code") permits a political subdivision, public agency or instrumentality of a State to file a petition for relief in federal bankruptcy courts if the subdivision, agency or instrumentality is insolvent within the meaning of Chapter 9 and is authorized under applicable state law to seek such relief. The University, as an instrumentality of the State of Alabama, meets the initial eligibility requirement for a debtor under Chapter 9 of the United States Bankruptcy Code, as set forth at 11 U.S.C. §109(c)(1), because it is a "municipality" as defined at 11 U.S.C. §101(40), but the

University is not expressly authorized by Article XIV, Section 266 of the Alabama Constitution of 1901 or by §16-48-1 *et seq.* of the Code of Alabama 1975, as amended, to initiate a Chapter 9 proceeding. Therefore, absent enactment of legislation by the Alabama Legislature that specifically authorizes a filing by the University, or by all instrumentalities of the State of Alabama, the University does not appear to be eligible to be a "debtor" under Chapter 9 of the United States Bankruptcy Code.

Nonetheless, Chapter 9 has been rarely used, and there is little precedent concerning its interpretation or the interpretation of related state laws, so there can be no definitive assurance that the University would be prevented from filing a petition for relief under Chapter 9, and if it did so, what relief would be provided. For example, Chapter 9 of the Bankruptcy Code provides certain protections to creditors whose debts are secured by pledged special revenues; however, because of the limited precedent available with respect to Chapter 9, it is possible that a federal bankruptcy court could reject or circumscribe certain of these provisions under the facts of a specific case.

It should be noted that Section 922(d) of Chapter 9 of the Bankruptcy Code provides that a bankruptcy petition does not operate as a stay of "application of pledged special revenues" to the payment of indebtedness secured by such revenues in a manner consistent with other provisions of the Bankruptcy Code. Without limitation, section 928 of the Bankruptcy Code provides that special revenues acquired by the debtor after commencement of a Chapter 9 case remain subject to any lien resulting from any security agreement entered into by the debtor before commencement of the case, but further provides that any such lien on special revenues (other than municipal betterment assessments) derived from a project or system shall be subject to "the necessary operating expenses of such project or system." It is not clear whether the pledge of Pledged Revenues made by the University for the benefit of the Series 2021 Bonds would constitute "special revenues" as that term is defined in section 902(2) of the Bankruptcy Code. Moreover, the phrase "application of pledged special revenues" has given rise to arguments that the provisions of section 922(d) apply only to funds in possession and control of the debtholders, or their trustee. Therefore, it is uncertain whether or not the filing of a Chapter 9 petition (if the University had such power under Alabama law) would affect application of Pledged Revenues for the payment of principal and interest on the Series 2021 Bonds. Similarly, it is uncertain whether section 928 of the Bankruptcy Code would control the claims of holders of the Series 2021 Bonds with respect to the Pledged Revenues.

As a "municipality" within the meaning of the Bankruptcy Code, the University's eligibility to be a debtor is governed solely by 11 U.S.C. §109(c). A "municipality" within the meaning of Chapter 9 of the Bankruptcy Code cannot seek relief as a "debtor" under other chapters of the Bankruptcy Code, including without limitation Chapters 7 and 11.

The approving legal opinion of Bond Counsel to the University will contain the customary reservation that the rights of the holders of the Series 2021 Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, sovereign immunity, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases. *See* the proposed form of approving legal opinion set forth in Appendix B – "Proposed Form of Approval Opinion of Bond Counsel to the University."

FINANCIAL ADVISOR

PFM Financial Advisors LLC ("PFM") is employed by the University to perform professional services in the capacity of financial advisor. In its role as financial advisor to the University, PFM has provided advice on the plan of financing and structure of the Series 2021 Bonds, and reviewed certain legal and disclosure documents, including this Official Statement, for financial matters. PFM has not independently verified the factual information contained in this Official Statement, but relied on the information supplied by the University and other sources and the University's certification as to the Official Statement.

UNDERWRITING

The Series 2021 Bonds are being purchased for reoffering by Raymond James & Associates, Inc., Hancock Whitney Investment Services, Securities Capital Corporation and The Frazer Lanier Company Incorporated (collectively, the "Underwriters") at an aggregate purchase price of $_______________ (representing the initial par amount of the Series 2021 Bonds, less an underwriting discount of $___________, [plus/less] [net] original issue [premium/discount] of $______________). The public offering price of the Series 2021 Bonds as set forth on the inside of the cover page of this Official Statement may be changed from time to time by the Underwriters, and the Underwriters may allow a concession from the public offering price to certain dealers.

MISCELLANEOUS

The references herein to statutory provisions, the Indenture and other documents and instruments are summaries of certain provisions thereof and do not purport to be complete. For full and complete statements of such provisions reference is hereby made to the specific statutory provision, document or instrument to which such summary relates.

So far as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2021 Bonds.

The information contained in this Official Statement has been compiled or prepared from information obtained from sources believed to be reliable; however, the University makes no representation as to the accuracy or completeness of such information. The information and the expressions of opinion herein are subject to change without notice. Accordingly, neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that, since the date hereof, there has been no change in the affairs of the University or any other governmental agencies or entities discussed herein.

The distribution of this Official Statement and its use in the offering and sale of the Series 2021 Bonds have been approved by the governing body of the University.

UNIVERSITY OF SOUTH ALABAMA

/s/ G. Scott Weldon
Vice President for Finance and Administration

APPENDIX A

AUDITED FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

APPENDIX B

PROPOSED FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE UNIVERSITY

Proposed Form of Approval Opinion of Bond Counsel

__________, 2021

Board of Trustees of the
University of South Alabama
Mobile, Alabama

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of Alabama and certified copies of proceedings of the Board of Trustees of the University of South Alabama (herein called the "University") and other documents submitted to us pertaining to the authorization, issuance and validity of:

$_____________
University of South Alabama
University Facilities Revenue Bonds
Series 2021

The statements hereinafter made and the opinions hereinafter expressed are based upon our examination of said constitution, laws, proceedings, and documents, which show as follows:

(1) that the above-referenced Series 2021 Bonds (the "Series 2021 Bonds") have been issued under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended and as further supplemented by an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Series 2021 Bonds between the University and The Bank of New York Mellon Trust Company, N.A., as successor trustee (said Indenture, as so supplemented and amended, herein called the "Indenture"), wherein there has been pledged for payment of all bonds issued thereunder so much as may be necessary therefor of (a) the proceeds of the general tuition fees levied against all students attending the University, (b) the gross revenues derived from auxiliary enterprises services furnished by the University, including, without limitation, 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 & Women’s Hospital (collectively herein called the "Pledged Revenues"); and

(2) that the University is authorized under the Indenture to issue, without express limit as to principal amount but only upon compliance with certain conditions precedent specified in the Indenture, Additional Bonds (as such term is defined in the Indenture) secured by a pledge of the Pledged Revenues on a parity with all other bonds issued under the Indenture and at any time outstanding.

We are of the following opinion: that the University is a public body corporate under the laws of the State of Alabama and has corporate power to issue the Series 2021 Bonds and to execute and deliver the Indenture; that the Series 2021 Bonds have been duly authorized, executed and issued in the manner provided by the applicable provisions of the Constitution and laws of the State of Alabama, are in due and legal form and evidence valid and binding limited and special obligations of the University payable, as to principal and interest, solely out of the Pledged Revenues; that the payment of the principal of and the interest on the Series 2021 Bonds is secured on a parity with all Bonds (as such term is defined in the Indenture) previously issued under the Indenture and with any other Additional Bonds hereafter issued under the Indenture by a pledge of the Pledged Revenues pro rata and without preference or priority of the Bonds of one series over those of another; that the said pledge is valid, subject to all lawful prior charges on the Pledged Revenues; and that the Indenture has been duly authorized, executed and delivered on behalf of the University.

We are of the opinion that the interest on the Series 2021 Bonds is, under existing statutes and regulations as presently construed, exempt from Alabama income taxation.

We are further of the opinion that under the Internal Revenue Code of 1986, as amended (herein called the "Code"), as presently construed and administered, and assuming compliance by the University with its covenants pertaining to certain requirements of federal tax law that are set forth in the Indenture and the proceedings authorizing the issuance of the Series 2021 Bonds, the interest on the Series 2021 Bonds will be excludable from gross income of the recipient thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code and will not be an item of tax preference included in alternative minimum taxable income for the purpose of computing the minimum tax imposed by Section 55 of the Code. We express no opinion regarding tax consequences arising with respect to the Series 2021 Bonds other than as expressly set forth herein.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement of the University relating to the Series 2021 Bonds. We express no opinion with respect to the federal tax consequences to the recipient of the interest on the Series 2021 Bonds under any provision of the Code not referred to above.

The rights of the holders of the Series 2021 Bonds and the enforceability of the Series 2021 Bonds and the Indenture are subject to all applicable bankruptcy, insolvency, reorganization, sovereign immunity, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and the exercise of judicial discretion in appropriate cases.

Neither the principal of nor the interest on the Series 2021 Bonds nor the aforesaid pledge or any other agreements contained in the Indenture constitute an obligation of any nature whatsoever of the State of Alabama, and neither the Series 2021 Bonds nor any obligation arising from said pledge or other agreements are payable out of any moneys appropriated to the University by the State of Alabama. The Indenture does not constitute a mortgage on any of the property of the University, and no foreclosure or sale proceedings with respect to any property of the University shall ever be had under its authority.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

The University of South Alabama, a public body corporate under the laws of the State of Alabama (the "University"), has entered into this Agreement for the benefit of the holders of its University Facilities Revenue Bonds, Series 2021, in the aggregate principal amount of $_______________ (the "Bonds"). The University is the Obligated Person with respect to the Bonds.

Recitals

A. The Bonds are being issued pursuant to a University Facilities Revenue Trust Indenture dated as of February 15, 1996 (the said Indenture, as heretofore supplemented and amended and as further supplemented and amended by an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Bonds (the "Indenture"), between the University and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

B. An Official Statement dated [_________, 2021] (the "Official Statement") has been prepared for distribution to prospective purchasers of the Bonds.

C. The Bonds are subject to the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), as amended. This Agreement is being entered into pursuant to the continuing disclosure requirements of the Rule.

D. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with definitions in the Rule, in the Official Statement.

E. There is no Obligated Person with respect to the Bonds other than the University.

NOW, THEREFORE, for and in consideration of the premises, the University hereby covenants, agrees and binds itself as follows:

1. Financial Statements; Annual Report.

(a) The University will provide to the Municipal Securities Rulemaking Board (the "MSRB") the audited financial statements of the University, prepared in accordance with generally accepted accounting principles as applicable to the University, not later than 210 days after the close of each fiscal year of the University, beginning with the fiscal year ending September 30, 2021.

(b) The University will provide, not later than 210 days after the end of each fiscal year of the University, commencing with the fiscal year ending September 30, 2021, to the MSRB the following financial and operating data, unless such information is included in the filed audited financial statements (the "Annual Report"):

(1) the revenues from the general tuition fees the proceeds of which are pledged for payment of the Bonds;

(2) the revenues from the auxiliary enterprises fees the proceeds of which are pledged for payment of the Bonds;

(3) the schedule of undergraduate and graduate fees and College of Medicine fees;

(4) the number of students, by geographic classification, attending the fall term commencing within the fiscal year covered by the University Annual Report;

(5) the total State appropriations authorized and received.

(c) If the University's fiscal year is changed subsequent to the execution of this Agreement, the University shall provide timely notice of the change to the MSRB stating that its fiscal year has changed and specifying the new period constituting the University's fiscal year.

2. Event Notices. The University agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, as required by the Rule, to the MSRB, notice of the occurrence of any of the following events (each a "Listed Event") with respect to the Bonds:

1. principal and interest payment delinquencies.

2. non-payment related defaults, if material.

3. unscheduled draws on debt service reserves reflecting financial difficulties.

4. unscheduled draws on credit enhancements reflecting financial difficulties.

5. substitution of credit or liquidity providers, or their failure to perform.

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. modifications of the rights of holders of the Bonds, if material.

8. bond calls, if material, and tender offers.

9. defeasances.

10. release, substitution or sale of property securing repayment of the Bonds, if material.

11. rating changes.

12. bankruptcy, insolvency, receivership, or similar event of the obligated person.

13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. incurrence of a Financial Obligation of an Obligor, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligor, any of which affect security holders, if material.

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligor, any of which reflect financial difficulties.

As used herein, "Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

3. Additional Information. Nothing in this Agreement shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the University chooses to disseminate information in addition to that required herein, whether by including such information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement or otherwise, the University shall have no obligation under this Agreement to update or continue to provide such information or include it in any future notice of occurrence of a Listed Event.

4. Form and Method of Filing. All filings to be provided hereunder to the MSRB shall be made by posting such information in electronic format on the MSRB's Electronic Municipal Market Access ("EMMA") system at http://emma.msrb.org accompanied by identifying information as prescribed by the MSRB. All such filings shall be made in conformity with the procedures and requirements established by the MSRB in effect at the time of such filing.

5. Beneficiaries; Limitation of Remedies Hereunder. This Agreement is for the benefit of the holders of the Bonds and shall be enforceable by such holders, subject to the limitations herein. The University shall never be subject to money damages in any sum or amount, whether compensatory, punitive or otherwise, for its failure to comply with its obligations contained herein. The only remedy available to the holders of the Bonds for breach by the University of its obligations hereunder shall be the remedy of specific performance or mandamus against the appropriate officials of the University to obtain performance of the University's obligations hereunder. No failure by the University to comply with the provisions of this Agreement shall be an event of default with respect to the Bonds under the Indenture.

6. Responsibility for Compliance.

(a) No person other than the University shall have any liability or responsibility for compliance by the University with its obligations under this Agreement. The Trustee has undertaken no responsibility with respect to any reports, notices or disclosures required by this Agreement or the Rule.

(b) The University will pay all costs incurred in connection with the performance of its obligations under this Agreement, including without limitation the fees and expenses of any dissemination agent, consultants, advisers, accountants, legal counsel or other persons that may be retained by the University to assist in the performance of the University's obligations.

7. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the University may amend this Agreement and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not cause the undertakings herein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule.

8. Termination. The University reserves the right to terminate its obligation to provide an Annual Report, audited financial statements and notices of material events, as set forth above, if and when the University no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

9. Contract Formed. This Agreement shall constitute a contract between the University and the holders from time to time and at any time of the Bonds, but no other person, firm or corporation shall have any rights hereunder.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly authorized by the University and has been executed by and on behalf of the University by its duly authorized officer, all as of the ________ day of __________, 2021.

UNIVERSITY OF SOUTH ALABAMA

By:____

Its: ____

APPENDIX D

DTC PROCEDURES

DTC Book-Entry Only System

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2021 Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 7A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from University or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Trustee, or University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of University or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to University or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE UNIVERSITY, THE UNDERWRITERS AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2021 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE SERIES 2021 BONDS, (2) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2021 BONDS, OR (3) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2021 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE UNIVERSITY, THE UNDERWRITERS NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE SERIES 2021 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE SERIES 2021 BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2021 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

EXHIBIT IV
OFFICIAL STATEMENT

			RATINGS:
		Underlying	**Insured**
	Moody's:	**A1 (Stable)**	**n/a**
	S&P:	**A+ (Stable)**	**AA (Stable)**
NEW ISSUE - BOOK-ENTRY ONLY			***See* "RATINGS" herein**

In the opinion of Bond Counsel to the University, under existing law and assuming the accuracy of certain representations and certifications and compliance by the University with certain tax covenants, interest on the Series 2021 Bonds will be excluded from gross income for federal income tax purposes. Bond Counsel to the University is of the further opinion that, under existing law, interest on the Series 2021 Bonds will not be an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations. See "TAX MATTERS" herein for further information and certain other federal tax consequences arising with respect to the Series 2021 Bonds. Bond Counsel to the University is also of the opinion that, under existing law, interest on the Series 2021 Bonds is exempt from Alabama income taxation.

University of South Alabama
$40,555,000
University Facilities Revenue Bonds
Series 2021

Dated: Date of Delivery | **Due: April 1, as shown on inside cover**

FOR MATURITY SCHEDULE, INTEREST RATES, YIELDS AND CUSIPS, SEE INSIDE COVER

The $40,555,000 University Facilities Revenue Bonds, Series 2021 (the "Series 2021 Bonds") will be issued as fully registered bonds without coupons in denominations of $5,000 and any integral multiple thereof pursuant to a book-entry only system to be administered by The Depository Trust Company ("DTC") and, when issued, will be registered in the name of and held by Cede & Co., as nominee. Purchases of beneficial interests in the Series 2021 Bonds will be made in book-entry form only and purchasers of a beneficial interest in the Series 2021 Bonds ("Beneficial Owners") will not receive physical delivery of the certificates representing their interests in the Series 2021 Bonds. The principal of and interest on the Series 2021 Bonds will be paid directly to DTC, so long as DTC or its nominee is the registered owner of the Series 2021 Bonds. The final disbursements of such payments to the Beneficial Owners of the Series 2021 Bonds will be the responsibility of the DTC Participants and the Indirect Participants, all as defined and more fully described in this Official Statement under the caption "THE SERIES 2021 BONDS - General Description" and in Appendix D hereto.

The Series 2021 Bonds are being issued by the University of South Alabama (the "University") pursuant to that certain University Facilities Revenue Trust Indenture between The Bank of New York Mellon Trust Company, N.A., as trustee, and the University dated as of February 15, 1996 (as heretofore supplemented and amended and as further supplemented and amended by an Eighteenth Seventeenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Series 2021 Bonds, the "Indenture") to (i) pay the costs of various capital improvements at the University hereafter described as the "2021 Improvements", and (ii) pay the costs of issuing the Series 2021 Bonds, including the premium for the municipal bond insurance policy for the Insured Series 2021 Bonds defined below. The principal of and interest on the Series 2021 Bonds are limited obligations of the University payable from and secured solely by the Pledged Revenues, as defined and further described herein.

The scheduled payment of principal of and interest on the Series 2021 Bonds maturing on April 1 of the years 2024 through 2041, inclusive (the "Insured Series 2021 Bonds") when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Insured Series 2021 Bonds by BUILD AMERICA MUTUAL ASSURANCE COMPANY.

Certain Series 2021 Bonds are subject to redemption prior to maturity on such terms and as more fully described herein.

The Series 2021 Bonds are not obligations or debts of the State of Alabama (the "State") nor will any principal of or interest on the Series 2021 Bonds be paid out of any moneys provided for or appropriated to the University by the State of Alabama. The Series 2021 Bonds are special and limited obligations of the University, secured by a pledge of and payable solely from certain fees and revenues of the University as described herein and in the Indenture. Neither the Series 2021 Bonds nor the pledge of the said fees and revenues and other agreements provided in the Indenture shall be or constitute a general obligation of the University or an obligation of any nature whatsoever of the State, or be payable out of any moneys appropriated by the State to the University.

The Series 2021 Bonds are offered when, as and if issued by the University and received by the Underwriters, subject to prior sale, to withdrawal or modifications of the offer without notice, and to the approval of legality of the Series 2021 Bonds by Bradley Arant Boult Cummings LLP, Bond Counsel to the University. Hand Arendall Harrison Sale LLC, Mobile, Alabama, will render an opinion on behalf of the Underwriters. It is expected that the Series 2021 Bonds in definitive form will be available for delivery through DTC on or about _March 10, 2021.

RAYMOND JAMES

HANCOCK WHITNEY INVESTMENT SERVICES	**SECURITIES CAPITAL**	**THE FRAZER LANIER COMPANY INCORPORATED**

Dated: February 25, 2021

MATURITIES, AMOUNTS, RATES, YIELDS & CUSIPS

$40,555,000
UNIVERSITY OF SOUTH ALABAMA
University Facilities Revenue Bonds
Series 2021

Maturity (April 1)	**Principal Amount**	**Interest Rate**	**Yield**	**CUSIPs[(1)]**
Uninsured Series 2021 Bonds				
2022	$1,175,000	4.000%	0.380%	914845TF9
2023	1,335,000	4.000	0.520	914845TG7
Insured Series 2021 Bonds				
2024	$1,390,000	4.000	0.620%	914845TH5
2025	1,445,000	4.000	0.770	914845TJ1
2026	1,500,000	4.000	0.930	914845TK8
2027	1,560,000	5.000	1.070	914845TL6
2028	1,640,000	5.000	1.240	914845TM4
2029	1,720,000	5.000	1.400	914845TN2
2030	1,810,000	5.000	1.550	914845TP7
2031	1,900,000	5.000	1.650	914845TQ5
2032	1,995,000	5.000	1.730*	914845TR3
2033	2,095,000	5.000	1.790*	914845TS1
2034	2,200,000	5.000	1.860*	914845TT9
2035	2,310,000	5.000	1.910*	914845TU6
2036	2,420,000	5.000	1.930*	914845TV4
2037	2,545,000	5.000	1.970*	914845TW2
2038	2,670,000	5.000	2.010*	914845TX0
2039	2,805,000	5.000	2.050*	914845TY8
2040	2,945,000	5.000	2.080*	914845TZ5
2041	3,095,000	5.000	2.120*	914845UA8

* Calculated to April 1, 2031 first optional redemption date.

(1) CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by the CUSIP Service Bureau, operated by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services Bureau. CUSIP numbers have been assigned by an independent company not affiliated with the University and are included solely for the convenience of the registered owners of the Series 2021 Bonds. The University and the Underwriters are not responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness by the University on the Series 2021 Bonds and by the Underwriters on the Series 2021 Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2021 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Series 2021 Bonds.

UNIVERSITY OF SOUTH ALABAMA

PRESIDENT
Dr. Tony G. Waldrop

VICE PRESIDENT FOR FINANCE AND ADMINISTRATION
G. Scott Weldon

BOND COUNSEL
Bradley Arant Boult Cummings LLP
Birmingham, Alabama

FINANCIAL ADVISOR
PFM Financial Advisors LLC
Huntsville, Alabama

UNDERWRITERS
Raymond James & Associates, Inc.
Hancock Whitney Investment Services Inc.
Securities Capital Corporation
The Frazer Lanier Company Incorporated

COUNSEL TO UNDERWRITERS
Hand Arendall Harrison Sale LLC
Mobile, Alabama

Certain information contained in or incorporated by reference in this Official Statement has been obtained by the University from DTC and other sources that are deemed reliable. No representation or warranty is made, however, as to the accuracy or completeness of such information by the Underwriters or the University.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with and as part of their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information and nothing contained in this Official Statement is or shall be relied upon as a promise or representation by the Underwriters. This Official Statement is being used in connection with the sale of securities as referred to herein and may not be used, in whole or in part, for any other purpose. The delivery of this Official Statement at any time does not imply that information herein is correct as of any time subsequent to its date.

No dealer, broker, salesperson or any other person has been authorized by the University or the Underwriters to give any information or to make any representation other than as contained in this Official Statement in connection with the offering described herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than those described on the inside cover page, nor shall there be any offer to sell, solicitation of an offer to buy or sale of such securities in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Series 2021 Bonds.

Any statements made in this Official Statement, including the Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information based on the University's beliefs as well as assumptions made by and information currently available to the University. *See* "FORWARD LOOKING STATEMENTS" herein.

IN CONNECTION WITH THE OFFERING OF THE SERIES 2021 BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2021 BONDS AT A LEVEL ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this final official statement for purposes of, and as that term is defined in, SEC rule 15c2-12.

Build America Mutual Assurance Company ("BAM") makes no representation regarding the Insured Series 2021 Bonds or the advisability of investing in the Insured Series 2021 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the section entitled "BOND INSURANCE " and "Appendix E - Specimen Municipal Bond Insurance Policy."

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OFFICIAL STATEMENT

pertaining to

UNIVERSITY OF SOUTH ALABAMA

$40,555,000
University Facilities Revenue Bonds
Series 2021

INTRODUCTORY STATEMENT

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to provide information in connection with the issuance by the University of South Alabama of the above-referenced Series 2021 Bonds (the "Series 2021 Bonds"), dated their date of initial delivery and issued as additional parity bonds under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, between the University of South Alabama and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), as previously supplemented and amended (the "Base Indenture") and as further supplemented and amended by an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Series 2021 Bonds (the Base Indenture, as so supplemented and amended, the "Indenture").

Definitions of certain words and terms having initial capital letters used herein are defined in the Indenture or in the instrument or document in the description of which such word or term is used. Reference is hereby made to the full text of the documents and instruments briefly described herein which may be obtained from the Underwriters or from the University during the period of the offering.

The Governor, the State Superintendent of Education and the appointed trustees together constitute a public body corporate under the name University of South Alabama (the "University"). The University is located in the City of Mobile, Alabama.

Purpose of the Issue

Proceeds of the Series 2021 Bonds will be applied to pay the costs of (i) certain public capital improvements on the campus of the University consisting of improvements and assets to increase capacity within USA Health, a division of the University, including without limitation a new medical office building, operating room expansion and pediatric emergency room construction, and other improvements and assets, and (ii) public roadway improvements, sidewalk improvements, retention pond improvements, utility improvements, and other public capital improvements, equipment and assets for the University (herein collectively called the "2021 Improvements"). Proceeds will also be used to pay the costs of issuing the Series 2021 Bonds, including the premium for a municipal bond insurance policy for the Insured Series 2021 Bonds.

Proceeds from the sale of the Series 2021 Bonds to pay the costs of the 2021 Improvements will be held in a special fund established by the University (the "2021 Improvements Construction Fund").

Security

The Series 2021 Bonds are limited obligations of the University payable from, and secured solely by a pledge of, the Pledged Revenues, as more fully described below under "SECURITY AND SOURCE OF PAYMENT - Sources of Payment and Pledged Revenues." The Pledged Revenues include a pledge of the General Fees levied against students enrolled at the University and any additional fees and revenues that may in the future be subjected to the lien of the Indenture pursuant to a Supplemental Indenture, a pledge of the gross revenues derived from certain auxiliary enterprises services furnished by the University, and 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 & Women's Hospital, each as described herein. *See* "SECURITY AND SOURCE OF PAYMENT - Sources of Payment and Pledged Revenues."

The Series 2021 Bonds will not constitute a charge against the general credit of the University and will not be payable from moneys appropriated to the University by the State of Alabama. The University has no taxing power. The State of Alabama will not be liable in any manner for the payment of the principal and interest on the Series 2021 Bonds. Holders of the Series 2021 Bonds shall never have the right to demand payment of the Series 2021 Bonds from the University from any source other than the special funds established under the Indenture and the Pledged Revenues and shall be entitled to payment from such sources only on a parity basis with all other bonds outstanding under the Indenture.

Existing and Additional Parity Bonds

The Indenture permits the University to issue additional bonds that will be secured by and be payable from Pledged Revenues on parity of lien with the Outstanding Bonds (defined below), the Series 2021 Bonds and any Additional Bonds (defined below) issued hereafter. For a description of the Outstanding Bonds (i.e., Bonds already outstanding under the Indenture that are secured by and payable from Pledged Revenues on parity of lien with the Series 2021 Bonds), *See* "SECURITY AND SOURCE OF PAYMENT – General." For a description of the terms of the Indenture for the issuance of Additional Bonds in the future, *See* "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE – Additional Bonds."

THE COVID-19 PANDEMIC

General

Background. The spread in early 2020 of the novel coronavirus and the disease it causes named "coronavirus disease 2019" (abbreviated "COVID-19"), along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on travel, commerce and financial markets globally, and has adversely affected economic growth worldwide. COVID-19 has negatively impacted, and is expected to continue to negatively impact, national, state and local economies, most private and public industries, and institutions of higher education like the University. The extent to which COVID-19 impacts the University's financial condition, the receipt of Pledged Revenues or the University's ratings will depend on future developments, some of which are not within the University's control. No assurances can be given that other pandemic events will not occur in the future. The nature, extent and impact of such events on the University cannot be predicted with certainty, but it is possible they could have a material adverse impact on the University's financial condition, the receipt of Pledged Revenues or the University's ratings.

Proclamations and Orders. On March 13, 2020, President Trump declared a national emergency under the National Emergencies Act. On the same day, Governor Kay Ivey declared a state public health emergency due to COVID-19 and subsequently issued supplemental state of emergency proclamations in place as of the date of this Official Statement. The Governor and the State Health Officer have also issued a series of orders to address the spread of COVID-19, including orders that (i) every person in the state stay at his or her place of residence except to perform certain essential activities, (ii) required closure of certain non-essential businesses, (iii) essential businesses must comply with certain social distancing and sanitation requirements, (iv) prohibited non-work related gatherings of 10 or more persons, and non-work related gatherings of any size that cannot maintain a consistent six-foot distance between persons and (v) closed all beaches in the state. In-person instruction or classes at all schools, public and private, including elementary, secondary, postsecondary, technical or specialty schools, and colleges and universities, were prohibited starting March 20, 2020. Subsequent orders lifted some of the restrictions on business, education, social and other activities – including the prohibition on in-person instruction at all schools. Such measures have had, and will continue to have, a materially negative impact on national, state and local economies, including without limitation the University and the economy of the areas surrounding it.

Additional orders addressing the spread of COVID-19 in the state, or addressing the impact of new strains of that virus or similar viruses, may be issued by the Governor, the State Health Officer, or others in the future. Such orders may, among other things, add additional restrictions on in-person operations or activities in the state, extend existing restrictions or continue the process of easing restrictions. This could include restrictions on in-person instruction or classes at public and private colleges and universities, such as the University. The University is unable to predict the ultimate duration or impact of any present or future COVID-19-related orders or similar restrictions.

Uncertainty as to Future Impact. The implications of COVID-19 are continually changing. While vaccines to treat COVID-19 have been produced by major pharmaceutical companies and are being administered throughout the United States and other parts of the world, such vaccines are not expected to be universally available until much later this year, and the long-term effectiveness of such vaccines are unknown. It is also not certain that such vaccines will be effective against new strains of the virus, which are starting to emerge in other parts of the world.

The University cannot predict with reasonable certainty the range of impacts, or the magnitude of the impacts, of the pandemic (and of any potential future pandemics or similar responses to COVID-19 and COVID-19 related viruses) on the University, including the impact on the receipt of Pledged Revenues. The financial impacts could be adverse and meaningful, and could have a long-term duration; resulting in material reductions in the amount of Pledged Revenues received by the University.

University Operations

General Impact. The outbreak of COVID-19 has affected travel, commerce and financial markets globally, in the United States, in the State of Alabama and with various public entities within the state such as the University. The University continues to assess the impact of COVID-19 on social interaction, travel, economies and financial markets, and the responsive measures related thereto, on its financial condition and operations, including the impact on general academic and educational activities and auxiliary enterprises and the revenues derived therefrom.

As noted above, in-person instruction or classes at all schools, including without limitation institutions of higher education like the University, was prohibited effective March 20, 2020. For the Spring 2020 term, delivery of all instruction was moved to an online format in March 2020 and required that students, where possible, vacate on-campus residence halls. All instruction for the May and Summer terms of 2020 was delivered online and residence calls remained largely closed.

Material Expenditures. As a result of the COVID-19 pandemic, the University refunded students $3,754,591.19 in housing and meal plan fees due to the shortened Spring 2020 semester (of which amount the University was reimbursed $3,604,534.53 from CARES Act funding). The University also provided financial support grants to students who were enrolled at the University during the Spring 2020 semester and impacted by the pandemic. These grants totaled approximately $5,700,000 and were funded in full by CARES Act funding. Additionally, there were certain other costs associated with moving course instruction online in the Spring of 2020 that were also covered by CARES Act funds.

Many elective surgeries and procedures at USA Health, a division of the University, were delayed during the Spring and early summer of 2020 due to the COVID-19 pandemic. This delay, however, did not have a material negative impact on the University or USA Health.

All other unreimbursed COVID-19 and pandemic response expenses of the University (including its division, USA Health) were not material.

Pandemic Response Plan. Shortly after declaration of the pandemic, the University undertook an extensive, proactive response to the COVID-19 pandemic. The University formed several committees and task forces to design policies and procedures to mitigate and respond to the challenges presented to the University and USA Health by COVID-19 and the resulting pandemic, and to help safeguard the financial posture of the University. The University's pandemic response has multiple facets and continues to evolve as the pandemic unfolds. Management took precautionary steps to enhance operational and financial flexibility and to react to the risks the COVID-19 pandemic presents to operations, including the following:

- Establishment of a campus-wide contact tracing office to minimize the spread of the virus and therefore minimize the financial impact on the University.

- As more particularly described below, establishment of a campus-wide reopening committee to address COVID-19 issues related to the reopening of campus, including the return of employees and students to an in-person environment.

- Revisions to the student housing model by increasing the number of single occupant rooms and creating an isolation facility within housing for students who become COVID-19 positive.

- Implementation of a temporary 4.50% pay reduction in lieu of a one-day per month unpaid furlough for most campus employees from May through August of 2020. (This unpaid furlough plan ultimately ended, and funds were returned to employees who remained employed at the time the funds were returned due to positive 2020 fiscal year financial results for the University.)

- Elimination of certain positions, mostly unfilled, in academic and administrative areas.

Fall 2020 Reopening. That portion of Governor Kay Ivey's order (described above) limiting in-person instruction or classes at schools and institutions of higher education such as the University was removed by the start of the Fall 2020 semester, and in anticipation of the same the University developed a comprehensive plan for safe and effective delivery of on-campus instruction. Primary highlights of the University's reopening plan include:

- Blended class attendance options to include an online component and some face-to-face instruction with social distancing.

- All students, faculty and staff required to complete a health screening form before returning to work, activities or classes on campus, and potential referral for testing if screening indicates issues or concerns.

- Employees and students regularly coming to campus required to complete a daily health screening via the University's online daily health verification system known as "Jag Healthcheck".

- On campus health screening, COVID-19 testing and contact tracing as needed to maintain the health and safety of campus.

- Requirements for all faculty and staff, as well as students attending on-campus classes and activities, are required to complete health and safety education sessions.

- Face masks required in most circumstances, with the University providing two washable, reusable face masks, free of charge, to every student and employee.

The University adjusted its 2020 Fall calendar by delaying move-in (by appointment only) to residence halls to August 8, 2020, stretching assigned move-in dates/times to residence halls over a longer period in order to reduce density of people in campus on move-in days, commencing class instruction on August 17, 2020, and completing fall classes by November 24, 2020. The University eliminated the traditional "fall break" between Thanksgiving and winter holidays and implemented online final exams that concluded on December 4, 2020, to reduce the need for students travel following the Thanksgiving holiday.

Fall 2020 enrollment for the University was down approximately 1.2% compared to Fall 2019. *See* "CERTAIN GENERAL INFORMATION RESPECTING THE UNIVERSITY – Student Enrollment and Trends" for a discussion regarding the University's strategy to increase admission and enrollment.

The University also created the "University of South Alabama COVID-19 Dashboard" containing information on the number of positive COVID-19 cases on the University's main campus that have been reported to USA's contact tracing team. All employees and students are required to immediately report confirmed or suspected cases of COVID-19 to the University's contact tracing team. This framework was created to promote safe learning spaces and flexible instructional delivery, while allowing schools, departments and faculty the autonomy necessary to implement strategies that address the unique and specialized needs of each academic program and course. Additional information concerning policies, procedures and other protective measures the University has implemented may be accessed on the University's website at https://www.southalabama.edu/coronavirus.

Spring 2021. For the Spring 2021 semester, residence halls opened on January 18, 2021, classes commenced on January 19, 2021, and the semester is scheduled to end on April 30, 2021. The University will not have a traditional "spring break", but will have various student breaks throughout the Spring 2021 semester.

The University plans to continue its COVID-19 protocols, including hybrid (i.e., online and in-person) learning, COVID-19 testing and social distancing, for the duration of the Spring 2021 semester. Students on campus will complete training, screening and testing. The training is online and includes a video, a quiz, and a pledge. The screening is recommended daily, but required every three days. Testing protocols, including random testing, will continue throughout the semester.

Spring 2021 semester enrollment is down between 2% - 3% compared to Spring 2020. *See* "CERTAIN GENERAL INFORMATION RESPECTING THE UNIVERSITY – Student Enrollment and Trends" for a discussion regarding the University's strategy to increase admission and enrollment.

Future Impact of COVID-19. Notwithstanding its positive financial and operational results for the fiscal year ended September 30, 2020, the University faces uncertainty as to the financial impacts resulting from COVID-19 due to a variety of factors including, without limitation, possible lower student enrollment with resulting reduced housing occupancy and utilization of auxiliary services, increased facility cleaning costs, costs associated with the transition to remote learning, the economic slowdown nationally and in Alabama, levels of state and federal funding and the likely increase in demand for student financial aid as families experience reductions in income. The overall extent of the impact of COVID-19 on the University's operational and financial performance will depend on these and other future developments.

CARES Act and Other Funding

General. The Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (the "CARES Act") was signed into law on March 27, 2020. Among other purposes, the CARES Act provided economic relief to institutions of higher education and other similar entities for a number of situations including the provision of direct financial support for students in need, reimbursement for the costs incurred as a result of moving instruction online, to provide relief funds for healthcare providers for purposes of covering costs incurred and lost revenues due to the pandemic. As of September 30, 2020, the University (including USA Health) has been awarded $31,437,000 in CARES Act and other funding from federal and state sources for COVID-19 relief. Of this amount, $14,919,000 has been recognized as nonoperating revenue in the statement of revenues, expenses and changes in net position for the year ended September 30, 2020. The University (including USA Health) received additional CARES Act funding subsequent to September 30, 2020 of approximately $2,177,800.

Current Expenditures. To date, the University has spent $20,748,000 of CARES Act funding received, of which $15,013,700 covered general University expenditures and $5,734,300 cover University expenditures specific to USA Health. Federal regulations restrict and limit the types of expenditures for which CARES Act funds may be used. While the University has not identified the exact expenditures to be covered with the remaining balance of CARES Act funds received to date, it anticipates having costs for which most, if not all, of such funds may be applied.

Additional Federal Aid. On December 27, 2020, President Trump signed H.R.133, which includes the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (the "Supplemental Law"). The law provides supplemental relief for institutions of higher education to address the needs of students and institutions, enhanced protections for small businesses, funding for COVID-19 vaccines, testing and tracing, support for broadband, increased SNAP benefits, and more. The emergency spending package contains $82 billion for education, with $22.9 billion set aside for higher education. These funds would be distributed through a Higher Education Emergency Relief Fund (HEERF) structure, similar to the CARES Act.

USA expects to receive approximately $18.2 million in funds through the Supplemental Law. Federal regulations restrict and limit the types of expenditures for which these funds may be used. The University has not identified the exact expenditures to be covered with these funds, but expects to have costs for which most, if not all, of such funding may be applied.

USA Health

Pandemic Response. USA Health, a division of the University, undertook an extensive, proactive, multi-faceted response to the COVID-19 pandemic. On March 16, 2020, USA Health, in partnership with the City of Mobile, established a drive-up COVID-19 testing center. The center was first established on USA Health Children's & Women's Hospital's campus, then relocated to city-owned facilities in response to increased demand, extreme heat and rain conditions, and for the continued safety of medical personnel.

USA Health opened a new, 10-bed COVID unit, and converted additional hospital floors to isolate COVID-19 patients during peak times. A 15-bed adult COVID-19 unit was opened at USA Children's & Women's Hospital to handle overflow from USA Health University Hospital. USA Health also implemented and pursued various changes to internal operations and processes to respond to the pandemic, including:

- Restrictions placed on visitors of the hospitals, temperature screening stations established at all hospital and clinic entrances, and delivery of an app for hospital employees to screen for COVID-19 symptoms prior to approaching the hospital.

- Clinic operations were converted to telemedicine visits to reduce face-to-face office visits.

- A personal protective equipment committee was formed to address needs for employees to stay protected while caring for patients infected with COVID-19. This committee addressed utilization, donations of equipment and supplies, internal policies and procedures, staff training and communication related to personal protective equipment.

- An employee website https://www.usahealthsystem.com/covid-19-employees and email communication process was created for staff to receive immediate job-critical information and updates, such as personal protective equipment changes, policy and procedure changes, and employee COVID-19 testing procedures.

- A community-wide pandemic testing center was established to serve first responders at USA Health and within the local community.

- Hospital employees were furloughed under both paid and unpaid status types to address reductions in patient volumes.

- Voluntary, unpaid time off was requested from management level employees.

- A voluntary paid time off donation program was established to provide paid time to employees adversely affected by COVID-19 based furlough or illness.

CARES Act and Other Funding. A portion of CARES Act funding has been designated to the health care providers for purposes of covering costs incurred and lost revenues due to the pandemic. Subsequent to the passage of this legislation, the Department of Health and Human Services ("HHS") issued additional pronouncements which provides guidance on how healthcare providers can apply, receive and recognize this funding, certain provisions of which have been reversed/significantly modified in succeeding guidance.

The University received approximately $11,838,000 in CARES Act funding for its USA Health (a division of the University) operations as of September 30, 2020, in both general and targeted distributions. Such funding is accounted for in accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Exchange Transactions*, and will be recognized in the statement of revenue, expenses and changes in net position as nonoperating revenue once the applicable terms and conditions have been met. *See* Appendix A for additional information concerning the University's accounting of these funds.

Additionally, as part of the CARES Act, the Centers for Medicare and Medicaid Services ("CMS") expanded the existing Accelerated and Advance Payments Program ("MAAPS") to a broader group of healthcare providers. Accelerated or advance payments under the MAAPS program is intended to provide necessary funds when there is a disruption in claims submissions and processing for a healthcare provider. CMS can also offer these payments in circumstances such as a national emergency or natural disasters in order to accelerate cash flow to impacted healthcare providers. During the year ended September 30, 2020, USA Health received accelerated payments under this program of approximately $35,156,000. These advances must be repaid and, as such, are reflected as unrecognized revenues in the accompanying 2020 statement of net position.

Overall. Government orders suspending elective surgical procedures have had an adverse effect on the operations of healthcare providers, including USA Health, primarily due to reduction in overall patient volumes. While patient volumes and revenues experienced gradual improvement starting in July 2020, management is unable to predict the future impact of the pandemic on USA Health's operations.

Additional Considerations; Additional Information

The continued spread of COVID-19 may additionally adversely affect the University's (i) governmental and non-governmental funding, grants and gifts, (ii) financial markets and, consequently, the returns on and value of the University's investments, and (iii) other sources of funding upon which the University relies to cover operating costs and expenses, such as the level of State support and appropriations therefrom which, although not pledged for payment of the Series 2021 Bonds, could materially and adversely impact the University's ability to generate Pledged Revenues.

The extent to which COVID-19, or other possible pandemic events in the future, impacts the University's operations, financial condition and ratings, cannot be predicted with certainty, but it is possible could have a material adverse impact on the University.

For additional information concerning the impact of COVID-19 on the finances and operations of the University , *See* Appendix A hereto, including Note (20) therein entitled "COVID-19 Pandemic."

THE SERIES 2021 BONDS

General Description

The Series 2021 Bonds will be dated their initial date of delivery, and will bear interest (payable on October 1, 2021, and on each April 1 and October 1 thereafter until maturity) at the rates and will mature on April 1 in the years and in the amounts set forth on the inside cover page of this Official Statement. The Series 2021 Bonds will be issuable only as fully registered bonds without coupons in the denomination of $5,000 or any integral multiple thereof.

The Series 2021 Bonds will be initially issued as fully-registered bonds in the name of Cede & Co., as nominee of DTC, as registered owner of the Series 2021 Bonds. Purchasers of such Series 2021 Bonds will not receive physical delivery of bond certificates. For purposes of this Official Statement, so long as all of the Series 2021 Bonds are in the custody of DTC, references to Bondholders or Owners shall mean DTC or its nominee. DTC will act as securities depository for the Series 2021 Bonds. The Series 2021 Bonds will be issued as fully-registered securities in the name of Cede & Co., DTC's partnership nominee Cede or such other nominee as may be requested by an authorized representative of DTC. One fully-registered Series 2021 Bond certificate will be issued for each maturity of the Series 2021 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. *See* Appendix D hereto for DTC payment and other related provisions.

During any period in which the Series 2021 Bonds are not held in the Book-Entry System, principal of the Series 2021 Bonds will be payable at the designated corporate trust office of the Trustee upon presentation and surrender of the Series 2021 Bonds as they mature. Interest on Series 2021 Bonds will be paid by the Trustee by check or draft mailed to the persons who are the registered owners of record as of the close of business on the March 15 or September 15, as the case may be, immediately preceding each interest payment date by check or draft mailed to such owners at their addresses shown on the registry books of the Trustee pertaining to the Series 2021 Bonds.

No charge will be made for any exchange or transfer of the Series 2021 Bonds, but the registered owners thereof shall be responsible for paying all taxes and other governmental charges relating to such transfer or exchange. In the event a Series 2021 Bond is lost, stolen, destroyed or mutilated, the University and the Trustee may require satisfactory indemnification for the replacement thereof and may charge the holder or owner of such bond with their fees and expenses in connection with the replacement thereof.

Optional Redemption

Those of the Series 2021 Bonds having a stated maturity on April 1, 2032, and thereafter, will be subject to redemption prior to their respective maturities, at the option of the University, as a whole or in part, on April 1, 2031, and on any date thereafter (and if in part, in such maturities as the University shall select, and if less than all of a single maturity is to be redeemed those to be redeemed to be selected by the Trustee by lot) at and for a redemption price with respect to each Series 2021 Bond (or principal portion thereof redeemed) equal to the par or face amount of each Series 2021 Bond redeemed plus accrued interest to the date fixed for redemption.

Notice of Redemption

Notice of redemption is required to be mailed by United States registered or certified mail to the registered owner of each Series 2021 Bond to be redeemed not more than sixty (60) nor less than thirty (30) days prior to the date fixed for redemption at the address shown on the registry books of the Trustee. No further interest will accrue after the date fixed for redemption on the principal of any Series 2021 Bond called for redemption upon notice duly given as provided in the Indenture and if payment therefor has been duly provided, and in such event any Series 2021 Bond (or portion thereof) called for redemption will no longer be protected by the provisions of the Indenture.

In the event that less than all of the outstanding principal of any Series 2021 Bond is to be redeemed, the registered owner thereof shall surrender the Series 2021 Bond that is to be prepaid in part to the Trustee in exchange, without expense to the owner, for a new Series 2021 Bond of like tenor except in a principal amount equal to the unredeemed portion of the Series 2021 Bond.

BOND INSURANCE

The following information has been supplied by BAM (as defined below) for inclusion in this Official Statement. No representation is made by the University as to the accuracy or completeness of such information.

Bond Insurance Premium

Concurrently with the issuance of the Series 2021 Bonds maturing April 1 of the years 2024 through 2041, inclusive (the "Insured Series 2021 Bonds"), Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Insured Series 2021 Bonds when due as set forth in the form of the Policy included as Appendix E to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com. BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law. BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Series 2021 Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Series 2021 Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Series 2021 Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Series 2021 Bonds, nor does it guarantee that the rating on the Insured Series 2021 Bonds will not be revised or withdrawn.

Capitalization of BAM.

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $485.5 million, $160.7 million and $324.7 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Insured Series 2021 Bonds or the advisability of investing in the Insured Series 2021 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at www.buildamerica.com/videos. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at www.buildamerica.com/credit-profiles. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

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BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Series 2021 Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Series 2021 Bonds, whether at the initial offering or otherwise.

SECURITY AND SOURCE OF PAYMENT

General

The University has previously issued various series of Bonds under the Indenture, of which fifteen series of Bonds are currently outstanding before giving effect to the issuance of the Series 2021 Bonds. Those series of Bonds consist of the following:

(a) $25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012 (the "Series 2012-A Bond");

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

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

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

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

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

(g) $85,605,000 University Facilities Revenue Refunding Bonds, Series 2016, dated September 14, 2016 (the "Series 2016 Bonds");

(h) $20,000,000 University Facilities Revenue Refunding Bond, Series 2016-B, dated December 7, 2016 (the "Series 2016-B Bond");

(i) $35,000,000 University Facilities Revenue Refunding Bond, Series 2016-C, dated December 7, 2016 (the "Series 2016-C Bond");

(j) $45,000,000 University Facilities Revenue Refunding Bond, Series 2016-D, dated December 7, 2016 (the "Series 2016-D Bond");

(k) $38,105,000 University Facilities Revenue Bonds, Series 2017, dated June 15, 2017 (the "Series 2017 Bonds");

(l) $47,750,000 University Facilities Revenue Bonds, Series 2019-A, dated February 7, 2019 (the "Series 2019-A Bonds");

(m) $18,440,000 Taxable University Facilities Revenue Bonds, Series 2019-B, dated February 7, 2019 (the "Series 2019-B Bonds");

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

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

The Series 2012-A Bond, the Series 2013-A Bond, the Series 2013-B Bond, the Series 2013-C Bond, Series 2014-A Bond, the Series 2015 Bond, the Series 2016 Bonds, the Series 2016-B Bond, the Series 2016-C Bond, the Series 2016-D Bond, the Series 2017 Bonds, the Series 2019-A Bonds, the Series 2019-B Bonds, the Series 2019-C Bond and the Series 2020 Bonds are herein collectively referred to as the "Outstanding Bonds." The Outstanding Bonds, the Series 2021 Bonds, and any Additional Bonds hereafter issued are referred to herein collectively as the "Bonds."

Sources of Payment and Pledged Revenues

The Series 2021 Bonds will be issued under the Indenture, as supplemented and amended by an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Series 2021 Bonds (the "Eighteenth Supplemental Indenture") between the University and the Trustee, and will constitute limited obligations of the University payable solely from and secured by a lien on and a pledge of the Pledged Revenues (hereinafter defined) levied and collected by the University. The Series 2021 Bonds are secured pro rata and on an equal lien basis one with the other, with the Outstanding Bonds and with any Additional Bonds that may be hereafter issued under and subject to the terms and conditions of the Indenture, by a pledge of the Pledged Revenues.

The Series 2021 Bonds shall never be payable from any funds at any time provided for or appropriated by the State of Alabama and shall not be a charge on the general credit or tax revenues of the State of Alabama. Neither the State of Alabama nor the University shall be obligated, directly or indirectly, to contribute any funds, property or resources to the payment of the Series 2021 Bonds except the Pledged Revenues.

The Series 2021 Bonds are payable solely out of the Pledged Revenues as defined in the Indenture, as amended, on a parity of lien with the Outstanding Bonds and any Additional Bonds at any time issued under the Indenture. Pledged Revenues is defined in the Indenture as follows:

"*Pledged Revenues*" means the Auxiliary Enterprises Revenues, the Children’s & Women’s Hospital Revenues, the General Fees, and additional fees and revenues, if any, that may be subjected to the lien of the Indenture pursuant to a Supplemental Indenture.

"*Auxiliary Enterprises Revenues*" means the gross revenues derived from auxiliary enterprises services furnished by the University, including, without limitation, 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.

"*Children’s & Women’s Hospital Revenues*" means 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 & Women’s Hospital.

"*General Fees*" means all fees now or hereafter levied as a general tuition fee against students enrolled at the University.

Additional Bonds

In the Indenture, the University has reserved the right to issue and deliver from time to time and at any time Bonds ("Additional Bonds") secured by a pledge of the Pledged Revenues on a parity with the Outstanding Bonds, the Series 2021 Bonds, and any other Additional Bonds then outstanding for any purpose permitted by law and upon compliance with certain requirements set forth under the Indenture. *See* "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE" below.

ANNUAL DEBT SERVICE REQUIREMENTS

Scheduled Debt Service Requirements of the Series 2021 Bonds

The following sets forth the scheduled debt service requirements of the Series 2021 Bonds on a fiscal year basis:

Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$1,175,000	$2,073,593	$3,248,593
2023	1,335,000	1,912,300	3,247,300
2024	1,390,000	1,858,900	3,248,900
2025	1,445,000	1,803,300	3,248,300
2026	1,500,000	1,745,500	3,245,500
2027	1,560,000	1,685,500	3,245,500
2028	1,640,000	1,607,500	3,247,500
2029	1,720,000	1,525,500	3,245,500
2030	1,810,000	1,439,500	3,249,500
2031	1,900,000	1,349,000	3,249,000
2032	1,995,000	1,254,000	3,249,000
2033	2,095,000	1,154,250	3,249,250
2034	2,200,000	1,049,500	3,249,500
2035	2,310,000	939,500	3,249,500
2036	2,420,000	824,000	3,244,000
2037	2,545,000	703,000	3,248,000
2038	2,670,000	575,750	3,245,750
2039	2,805,000	442,250	3,247,250
2040	2,945,000	302,000	3,247,000
2041	3,095,000	154,750	3,249,750

Debt Service Requirements – Outstanding Bonds and the Series 2021 Bonds

The following table sets forth the scheduled debt service requirements on all Outstanding Bonds (assuming no exercise of Put Rights for the Series 2016 Put Bonds as more particularly described below) and the Series 2021 Bonds on a fiscal year basis:

Fiscal Year Ending Sept. 30	Series 2012-A	Series 2013[1]	Series 2014-A[2]	Series 2015	Series 2016	Series 2016-B[3]	Series 2016-C[3]	Series 2016-D[3]	Series 2017 Bonds	Series 2019 Bonds[4]	Series 2020 Bonds	Series 2021 Bonds	Total Debt Service
2021	$1,702,516	$3,470,942	$8,796,573	$468,911	$6,511,275	$1,094,000	$1,932,000	$2,511,000	$2,975,625	$6,137,124	$2,639,053	--	$38,239,019
2022	1,704,928	3,470,942	8,764,199	459,520	6,509,900	1,094,000	1,932,000	2,511,000	2,978,875	6,176,182	2,622,200	3,248,593	41,472,337
2023	1,707,871	3,470,942	8,730,821	450,129	6,511,025	1,094,000	1,932,000	2,511,000	2,978,625	6,215,732	2,621,600	3,247,300	41,471,045
2024	1,709,000	3,470,941	8,685,623	440,918	6,509,275	1,094,000	1,932,000	2,511,000	2,979,750	6,257,567	2,624,400	3,248,900	41,463,374
2025	1,708,589	3,470,941	-	431,347	6,509,275	2,183,368	3,837,904	4,960,692	2,977,125	6,295,603	2,900,400	3,248,300	38,523,544
2026	1,711,363	3,470,942	-	421,956	6,515,400	2,177,545	3,826,709	4,944,748	2,981,688	6,341,736	2,903,600	3,245,500	38,541,187
2027	1,714,520	3,470,942	-	412,565	6,507,050	2,172,495	3,816,814	4,930,396	2,973,250	6,385,960	2,899,600	3,245,500	38,529,092
2028	1,716,929	3,470,942	-	403,251	6,510,200	2,166,053	3,804,431	4,912,760	2,980,375	6,436,123	2,902,100	3,247,500	38,550,664
2029	1,718,505	2,646,549	-	393,782	6,509,575	2,160,056	3,792,768	4,895,964	2,977,875	6,483,325	2,900,600	3,245,500	37,724,499
2030	1,717,616	2,646,549	-	384,391	6,513,325	2,153,312	3,779,738	4,877,317	2,975,750	5,648,528	2,905,100	3,249,500	36,851,126
2031	1,723,729	2,646,548	-	-	6,506,075	2,146,629	3,766,753	4,858,631	2,978,625	4,285,865	2,900,100	3,249,000	35,061,955
2032	925,002	2,646,548	-	-	6,507,325	2,138,817	3,751,725	4,837,216	2,981,125	4,287,333	2,900,850	3,249,000	34,224,941
2033	-	2,646,548	-	-	6,506,325	2,131,656	3,737,767	4,817,069	2,978,125	4,784,230	2,901,850	3,249,250	33,752,820
2034	-	-	-	-	6,507,450	2,123,900	3,722,695	4,795,377	2,979,375	4,560,250	2,902,850	3,249,500	30,841,397
2035	-	-	-	-	6,505,075	2,115,331	3,706,121	4,771,636	2,974,625	4,547,000	2,898,600	3,249,500	30,767,888
2036	-	-	-	-	6,508,950	2,105,729	3,687,661	4,745,344	2,978,500	4,833,750	2,902,000	3,244,000	31,005,934
2037	-	-	-	-	6,511,050	2,096,821	3,670,330	4,720,374	2,975,625	4,500,250	2,906,600	3,248,000	30,629,050
2038	-	-	-	-	6,501,075	-	-	-	1,640,000	4,486,500	2,902,200	3,245,750	18,775,525
2039	-	-	-	-	-	-	-	-	-	4,472,000	2,904,000	3,247,250	10,623,250
2040	-	-	-	-	-	-	-	-	-	4,156,500	2,901,600	3,247,000	10,305,100
2041	-	-	-	-	-	-	-	-	-	4,154,750	-	3,249,750	7,404,500
2042	-	-	-	-	-	-	-	-	-	4,156,500	-	-	4,156,500
2043	-	-	--	-	-	-	-	--	-	4,156,250	-	-	4,156,250
2044	-	-	-	-	-	-	-	-	-	4,158,750	-	-	4,158,750
2045	-	-	-	-	-	-	-	-	-	4,153,500	-	-	4,153,500
2046	-	-	-	-	-	-	-	-	-	4,155,500	-	-	4,155,500
2047	-	-	-	-	-	-	-	-	-	3,254,000	-	-	3,254,000
2048	-	-	-	-	-	-	-	-	-	3,298,750	-	-	3,298,750
2049	-	-	-	-	-	-	-	-	-	3,344,250	-	-	3,344,250

[1] Includes the Series 2013-A Bond, the Series 2013-B Bond and the Series 2013-C Bond
[2] Interest on the Series 2014-A Bond is calculated at the net swap rate of 5.4553% under the 2014 Swap described herein.
[3] Interest on the Series 2016-B Bond, the Series 2016-C Bond and the Series 2016-D Bond is calculated at the net swap rate for each such bond of 5.47%, 5.52% and 5.58%, respectively, under the 2016 Swap described herein. The amortization shown for each of the 2016-B Bond, the 2016-C Bond, and the 2016-D Bond assumes no exercise of a Put Right prior to maturity, or that such indebtedness is refinanced on any Put Date so as to achieve the same current principal amortization and same net swap rate. *See* "Put Rights Respecting Certain Outstanding Bonds" below.
[4] Includes debt service on Series 2019-A Bonds, Series 2019-B Bonds and the Series 2019-C Bond.

Variable Rate Bonds

Each series of Outstanding Bonds bears interest at a fixed rate, except the Series 2014-A Bond and the Series 2016-B Bond, the Series 2016-C Bond and the Series 2016-D Bond (collectively, the "Series 2016 Put Bonds"). The Series 2014-A Bond and the Series 2016 Put Bonds bear interest at variable rates. These variable rates are computed based on 68% of the one-month London Interbank Offered Rate ("LIBOR"), plus a set number of basis points that differs for each series. The University has entered into an interest rate exchange agreement respecting the Series 2014-A Bond and an interest rate exchange agreement respecting the Series 2016 Put Bonds. *See* "Derivatives" below for a discussion of these interest rate swap agreements.

Derivatives

The University has entered an interest rate swap (the "2014 Swap") with Wells Fargo Bank, N.A., as successor to Wachovia Bank, N.A., (the "Counterparty"), respecting the Series 2014-A Bond. The notional amount of the 2014 Swap will at all times match the outstanding scheduled principal amount of the Series 2014-A Bond, and the 2014 Swap will mature on March 15, 2024. Under the 2014 Swap, the University pays a fixed rate of 4.9753% and receives 68% of one-month LIBOR plus 0.25%.

The University also has entered an interest rate swap (the "2016 Swap") with the Counterparty respecting the Series 2016 Put Bonds. Under the 2016 Swap, the University pays a fixed rate of 5.0% and receives 68% of one-month LIBOR plus 0.25%. The 2016 Swap matures on December 1, 2036. The combined principal amortization of the Series 2016 Put Bonds matches the notional amount on the 2016 Swap through its maturity; however, each of these Series 2016 Put Bonds contains a right exercisable at the sole discretion of the bondholder to cause such Bond to mature and become due and payable prior to its final maturity. *See* "Put Rights Respecting Certain Outstanding Bonds" below for a discussion of these put rights.

Pursuant to the terms of the 2014 Swap and the 2016 Swap, the University is required to post collateral from time to time equal to any then negative valuation of such swaps. For additional information regarding derivative exposure, *See* Note 9 of the University's audited financial statements for the fiscal year ended September 30, 2020 attached hereto at Appendix A.

Put Rights Respecting Certain Outstanding Bonds

Each of the Series 2016 Put Bonds has principal amortized from December 1, 2024, through and including December 1, 2036. However, each Series 2016 Put Bond contains a feature (a "Put Right") permitting its holder to cause all outstanding principal on such Bond to mature and become due and payable by the University on a date (such date, a "Put Date") before scheduled maturity.

The earliest Put Date for the Series 2016-B Bond is December 1, 2021, the earliest Put Date for the Series 2016-C Bond is December 1, 2023, and the earliest Put Date for the Series 2016-D Bond is December 1, 2026. For each Series 2016 Put Bond, the Put Right must be exercised at least 210 days before the applicable Put Date, and if not timely exercised, such right extends immediately to the succeeding bond year until timely exercised or such Bond reaches final maturity, whichever occurs first.

The University intends to refinance any Series 2016 Put Bond for which a Put Right is exercised so as to maintain the Bond's then-current principal amortization. While the University is not aware of any existing obstacles to its ability to refinance the Series 2016 Put Bonds, should Put Rights be exercised, market conditions, the financial condition of the University or the State of Alabama, and various other factors in existence at the time such rights are exercised could hamper or even prevent the University from refinancing Series 2016 Put Bonds as presently intended.

Pledged Revenues

The following is a summary of the amount of General Fees, Auxiliary Enterprises Revenues and Children's & Women's Hospital Revenues collected by the University for the fiscal years ended September 30, 2016, through September 30, 2020:

	2016	2017	2018	2019	2020
General Fees[1]	$172,253,000	$177,547,000	$171,429,000	$175,638,000	$168,639,000
Auxiliary Enterprises Revenues[1]	30,008,000	29,413,000	26,996,000	22,587,000	20,244,000
Children's & Women's Hospital Revenues[2]	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000
Total	$212,261,000	$216,960,000	$208,425,000	$208,225,000	$198,883,000

[1]General Fees and Auxiliary Enterprises Revenues include amounts allocated to scholarship allowances for accounting purposes. General Fees and Auxiliary Enterprises Revenues net of scholarship allowances for fiscal year 2016 were approximately $137,074,000 and $28,861,000, respectively, for fiscal year 2017 were approximately $141,949,944 and $28,347,000, respectively, for fiscal year 2018 were approximately $136,222,000, and $25,907,000, for fiscal year 2019 were $139,871,000 and $21,484,000, respectively, and for fiscal year 2020 were $129,644,000 and $19,038,000, respectively.

[2] Only $10,000,000 of the gross revenues from the USA Children's and Women's Hospital, in any fiscal year of the University, are pledged to payment of all the Bonds (*i.e.*, the Outstanding Bonds, the Series 2021 Bonds and any Additional Bonds hereafter issued). *See* "HEALTH CARE SYSTEM" below for total gross revenues from USA Children's and Women's Hospital for the years shown.

Reference is hereby made to the audited financial statements of the University for the fiscal year ended September 30, 2020, appearing as Appendix A hereto, and the audited financial statements of the University for the other periods which are available on EMMA (as defined herein). *See* "CONTINUING DISCLOSURE" below for a description of EMMA.

Upon issuance of the Series 2021 Bonds, the total principal amount of indebtedness of the University payable from Pledged Revenues is not greater than $462,688,792.

Maximum Annual Debt Service Requirement

The Maximum Annual Debt Service Requirement respecting the Series 2021 Bonds and the Outstanding Bonds, based on the amortization schedule set forth above under "Debt Service Requirements – Outstanding Bonds and the Series 2021 Bonds", occurring in the fiscal year of the University ending September 30, 2022 ($41,472,337), is covered 4.80 times by Pledged Revenues referable to the fiscal year of the University ended September 30, 2020 ($198,883,000). *See* "Pledged Revenues" above. This coverage is based on the assumption that the Series 2016 Put Bonds mature in accordance with their scheduled principal amortization and without the exercise of Put Rights by any of the holders of those Bonds. *See* "Put Rights Respecting Certain Outstanding Bonds" above.

Assuming the exercise of the Put Right for each of the Series 2016-B Bond, the Series 2016-C Bond and the Series 2016-D Bond on the earliest date permitted (*i.e.*, December 1, 2021, for the Series 2016-B Bond, December 1, 2023, for the Series 2016-C Bond, and December 1, 2026, for the Series 2016-D), the scheduled annual debt service for the University's fiscal years ending September 30, 2022, September 30, 2024, and September 30, 2027, would be $61,472,337, $75,369,373, and $69,586,031, respectively, and the scheduled maximum annual debt service requirement for the Series 2021 Bonds and the Outstanding Bonds would occur in the fiscal year of the University ending September 30, 2024 ($75,369,373), and would be covered approximately 2.64 times by Pledged Revenues referable to the fiscal year of the University ended September 30, 2020 ($198,883,000).

Other University Debt

USA Line of Credit. On June 11, 2020, the University entered a short-term Revolving Line of Credit Agreement dated June 11, 2020 (the "Revolving Line of Credit Agreement") with Hancock Whitney Bank (in such capacity, "HW"), under which the University secured the right to borrow funds from time to time from HW, up to $50,000,000 as of any time outstanding, to cover operating costs and expenses of the University (the "HW Line of Credit"). Pursuant to the Revolving Line of Credit Agreement, interest on any drawing by the University accrues from the date of such drawing, until repaid, at a variable rate equal to the one-month LIBOR plus 150 basis points.

Like other public institutions, including universities and health care operators, the University secured this facility to ensure access to capital in light of the uncertain impact that COVID-19 and the resulting pandemic could have on University costs and finances. At the time the University authorized the Revolving Line of Credit Agreement, the Trustees approved and authorized, within certain limitations, (i) the power of the University to extend the HW Line of Credit for a period of up to three (3) years, and (ii) to secure an additional $50,000,000 revolving line of credit (an "Additional Line of Credit").

To date, the University has not accessed any funds under the HW Line of Credit. The University has no plans or expectations to access funds under the HW Line of Credit, to extend the HW Line of Credit past its June 11, 2021 date of expiration or to enter into any Additional Line of Credit.

Compass Loan. On March 27, 2015, the University obtained a $5,000,000 revolving line of credit facility (the "Compass Line of Credit") with Compass Bank ("Compass"). The University was permitted to borrow funds from Compass from time to time under the Compass Line of Credit so long as its outstanding principal balance did not exceed $5,000,000. The Compass Line of Credit initially provided that principal amounts drawn thereunder would not become due until its April 14, 2018 maturity date. In July 2018, the University amended the Compass Line of Credit (as amended, the "Compass Loan") so that (i) the principal balance at that time of $3,433,789 was fixed, (ii) additional draws would not be permitted, (iii) interest would be computed at a fixed rate of 3.85% and (iv) principal was amortized to become due and payable in annual installments over a period from 2018 through 2023. This obligation is not secured by Pledged Revenues, and Compass is not entitled to any rights or benefits under the Indenture respecting this obligation.

The Compass Loan is a general obligation of the University and is not secured by Pledged Revenues under the Indenture.

RCA Lease. On December 7, 2016, the University entered a Secured Equipment Financing Lease (the "RCA Lease") with Regions Capital Advantage, Inc. to finance a linear accelerator for use at USA Health Mitchell Cancer Institute. The principal component of this lease totals $2,089,690, and interest is calculated at a fixed per annum rate of 1.88%. This lease reaches final maturity on October 7, 2022. The RCA Lease is subject to annual appropriation by the University, and on each payment date debt service is payable solely out of then-current funds of the University. Such payments are not secured by Pledged Revenues under the Indenture.

Med One Capital Lease. The University has entered a capital lease agreement with Med One Capital Funding, LLC for certain medical equipment to be used at USA Health University Hospital. Under this arrangement, the University makes monthly lease payments, over a period of 60 months, aggregating just under $4,000,000, and pays a nominal price to acquire title to the equipment at conclusion of the lease. Payments under this lease are not secured by Pledged Revenues under the Indenture or other special funds or assets of the University.

Energy Savings Agreement with Alabama Power. The University has entered a ten (10) year agreement dated February 1, 2016 (the "Energy Savings Agreement") with Alabama Power Company ("APC") under which APC agrees to design, procure and install certain energy conservation equipment and measures to reduce energy and maintenance costs at USA Health University Hospital. Under this Agreement, the University pays APC $18,882 per month over a period of 120 months (totaling $2,265,840 in payments from the University). Payments under the Energy Savings Agreement are not secured by Pledged Revenues under the Indenture or other special funds or assets of the University.

Master Lease Agreement with Hancock Whitney. The University has entered a Master Lease Agreement dated June 13, 2019 (the "Master Lease Agreement") with Hancock Whitney Equipment Finance and Leasing, LLC ("Hancock Whitney") under and pursuant to which the University may request and receive extensions of credit from Hancock Whitney to purchase up to $10,000,000 in equipment for use by the University. Under the Master Lease Agreement, Hancock Whitney purchases and leases equipment requested by the University. Lease payments from the University include principal and interest components. To date, the University has incurred $550,703.65 in funding under the Master Lease Agreement, which such amount bears interest at a fixed annual rate of 3.01% and is payable on a monthly basis (with equal monthly payments of principal and interest) from December 22, 2019, through and including November 22, 2023. Payments under the Master Lease Agreement are not secured by Pledged Revenues under the Indenture or other special funds or assets of the University.

Rent Supplement Agreements for USARTC. As more particularly described under the section entitled "RESEARCH & TECHNOLOGY CORPORATION", USARTC (hereinafter defined) is a not-for-profit corporation organized by the University to own and operate certain facilities on land of the University incident to research, technological and other enterprises. USARTC has financed these facilities through loans secured by rentals payable from tenants of these facilities to USARTC. There are two such loans currently outstanding; one with a remaining principal balance of $12,004,155.53 bearing interest at a fixed annual rate of 4.35%, and the other with a remaining outstanding principal amount of $8,500,000 bearing interest at a fixed annual rate of 3.08%.

For each such loan, the University has entered an agreement (each, a "Rent Supplement Agreement") under which the University agrees to cover any shortfall in payments owed as debt service. Payments under each Rent Supplement Agreement are not secured by Pledged Revenues under the Indenture or any other special funds or assets of the University.

Future Debt

In 2017, the Board of Trustees approved the University campus master plan, which covered the ten-year period from 2017 to 2027. Some of these projects (to cover capital improvements not appropriate for pay-as-you-go financing) may be funded through the issuance of long-term debt. To date, the construction of the on-campus football stadium (part of the said campus master plan) was funded with a portion of the proceeds of the Series 2019-A Bonds and Series 2019-B Bonds and other amounts.

The University intends to develop and construct a new building to house the USA College of Medicine. Plans for the new facility are still in the early stages, but during a recent visit to the University, the Governor announced a $50.0 million commitment from the State for construction and development of the new facility. *See* "SUMMARY INFORMATION RESPECTING STATE AND PRIVATE FUNDING – Alabama Public School and College Authority Funding" herein. It is likely that the University will finance a portion of the costs of this facility through the issuance of one or more series of Additional Bonds secured by Pledged Revenues.

THE PLAN OF FINANCING

The Series 2021 Bonds are being issued for the purpose of (i) paying the costs of certain public capital improvements on the campus of the University consisting of improvements and assets to increase capacity within USA Health, including without limitation a new medical office building, operating room and emergency room renovations and improvements, and other improvements and assets and (ii) paying the costs of public roadway improvements, sidewalk improvements, retention pond improvements, utility improvements, and other public capital improvements, equipment and assets for the University (herein collectively called the "2021 Improvements"). The Series 2021 Bonds are also being issued to pay the costs of issuing the Series 2021 Bonds.

ESTIMATED SOURCES AND USES OF PROCEEDS

The estimated sources and uses of funds for the plan of financing with respect to the issuance of the Series 2021 Bonds are as follows:

Sources of Funds	
Principal amount of Series 2021 Bonds	$40,555,000.00
Plus Original Issue Premium	9,980,040.45
Total Sources	**$50,535,040.45**
Uses of Funds	
2021 Improvements	50,000,000.00
Costs of Issuance[1]	535,040.45
Total Uses	**$50,535,040.45**

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[1] Includes underwriting discount, municipal bond insurance premium, legal and accounting fees, printing costs, rating agency fees, financial advisory fees, and other expenses of issuance.

CERTAIN GENERAL INFORMATION RESPECTING THE UNIVERSITY

General

The University of South Alabama is a public body corporate of the State of Alabama existing under provisions of Act No. 157, Acts of Alabama, Second Special Session 1963, and Chapter 55 of Title 16 of the Code of Alabama 1975, as amended. The University is a comprehensive, coeducational, state-assisted institution, which serves as a major center of undergraduate, graduate, and professional education for Alabama, the Gulf Coast region and the southeastern United States.

The University's mission encompasses the three traditional academic functions of teaching, research, and public service through which it pursues the discovery, preservation and communication of knowledge. The University was admitted to membership in the Southern Association of Colleges and Schools on December 4, 1968.

Total enrollment for Fall 2020 was 14,224. Of those students, 9,046 were classified as undergraduate students, 5,174 were enrolled in graduate or professional programs, and four (4) were unclassified. For the academic year 2019-2020, the University awarded 3,498 degrees, of which 2,109 were Baccalaureate Degrees, 1,067 were Master’s Degrees, 256 were Doctoral degrees, and 66 were M.D. degrees.

The University of South Alabama main campus, located in a section of Mobile called Springhill, consists of 1,200 wooded acres. The primary instructional buildings are contained on this campus, as well as the medical college and dormitory facilities. A 750-acre municipal park is adjacent to the main campus.

The University of South Alabama Baldwin County Campus was established as a branch campus in 1984 to better meet the needs of students located in Baldwin County, Alabama, and offers graduate courses, upper-level undergraduate courses, and non-credit courses/public service programs.

The University of South Alabama health system, known as USA Health, is composed of the USA Health University Hospital, the USA Children & Women’s Hospital, the USA Health Mitchell Cancer Institute, and USA Health Ambulatory Services. USA Health provides primary and tertiary care for a multi-county service area. The USA Health University Hospital ("USAUH") is a 406-licensed bed hospital which includes a level one trauma center, a burn unit, and state-of-the-art facilities for internal medicine, surgery and cardiovascular diagnostic and treatment techniques. The USA Children's & Women's Hospital ("USACW") is a 152-Licensed bed facility specializing in pediatric, obstetric and gynecological services. USACW includes neonatal and pediatric intensive care nurseries, progressive care nurseries and other facilities for dealing with high-risk deliveries. In 2015, the 195,000 square foot expansion of USACW was placed into service. The USA Health Mitchell Cancer Institute ("USAMCI") is an academic cancer treatment and research enterprise housed in a state-of-the-art 125,000 square foot integrated clinical and research building. USA Health Ambulatory Services ("Ambulatory Services") is a 160-physician multi-specialty faculty practice dedicated to delivering leading-edge care to patients and supporting the mission of the USA College of Medicine in the education and training of students and resident physicians and in the advancement of medical care through medical research. The Strada Patient Care Center, a 133,000 square foot building located near USACW, was placed in service in December 2016 and provides 153 patient exam rooms, 16 nurses' stations, and seven (7) educational conference rooms for use by University physicians.

For the 2019-2020 academic year, the University employed 831 full-time faculty persons. Approximately 32% of faculty members are tenured. The University employs 6,307 persons in all categories.

The main campuses in Mobile, Alabama, consists of 165 major buildings, including hospital and medical related facilities. Those facilities include buildings currently providing approximately 2,332 beds (with capacity to expand up to 2,400 beds, if needed) available for student residency on campus.

For its fiscal year ended September 30, 2020, the University reported grants and contracts revenue from Federal, State and private sources of approximately $39,668,000, and an additional $123,063,000 from direct State of Alabama legislative appropriations. Tuition and fees revenues reported during the fiscal year ended September 30, 2020 (net of scholarship allowances) were approximately $129,644,000, and net patient service revenues from USA Health during such period were approximately $554,431,000. *See* Appendix A.

Summary Enrollment Profile - Fall 2020
(excluding Medical Residents)

	Fall 2020	
	Number	Percent
Covey College of Allied Health Professions	1,509	10.6%
College of Arts and Sciences	2,900	20.4%
Mitchell College of Business	1,148	8.1%
School of Computing	627	4.4%
College of Education & Professional Studies	2,003	14.1%
College of Engineering	1,048	7.4%
Graduate School	44	0.3%
College of Medicine	344	2.4%
College of Nursing	4,601	32.3%
Total	14,224	100.0%

USA offers programs leading to fifty-three baccalaureate degrees, thirty-eight master's degrees, an Education Specialist (Ed.S.) degree, twelve doctoral degrees, and a Medical Doctor (M.D.) degree. USA also offers a number of post-secondary certificates. In addition to the traditional on-campus course offerings, the University offers over two hundred and fifty online courses each semester to fit the needs of a diverse student body.

Financial

The following section contains certain financial information for the University, including a comparison of the revenues, expenses and changes in net position for the fiscal years 2016 through 2020 (dollars in thousands).

	2016	**2017**	**2018**	**2019**	**2020**
Operating revenues:					
Tuition and fees, net	$137,074	$142,024	$136,222	$139,871	$129,644
Net patient service revenue	360,657	390,931	416,034	491,796	554,431

Federal, state and private grants and contracts	38,187	36,853	34,093	36,647	39,668
Other	88,943	92,674	66,730	62,527	58,949
Total	624,861	662,482	653,079	730,841	782,692
Operating expenses:					
Salaries and benefits	460,219	483,113	486,156	495,123	491,791
Supplies and other services	198,518	219,362	255,145	268,416	285,289
Other	65,530	64,942	78,081	79,492	81,216
Total	724,267	767,417	819,382	843,031	858,296
Operating loss	(99,406)	(104,935)	(166,303)	(112,190)	(75,604)
Nonoperating revenues (expenses):					
State appropriations	105,024	107,332	108,268	115,209	123,063
Investment income (loss)	2,631	18,398	17,857	8,203	23,378
Other, net	8,135	20,613	22,674	25,189	41,274
Net nonoperating revenues	115,790	146,343	148,799	148,601	187,715
Income (loss) before capital appropriations, capital contributions, grants, and additions to endowment	16,384	41,408	(17,504)	36,411	112,111
Capital appropriations, capital contributions, grants and additions to endowment	9,521	6,417	16,770	20,316	12,042
Change in net position	25,905	47,825	(734)	56,727	124,153
Beginning net position, before cumulative effect of change in accounting principle	195,052	217,994	265,819	35,398	92,125
Cumulative effect of change in accounting principle	(2,963)	-	(229,687)[1]	-	-
Beginning net position- as adjusted	192,089	217,994	36,132	35,398	92,125
Ending net position	$217,994	$265,819	$ 35,398	$92,125	$216,278

[1] Active and retired employees of the University are covered by the Public Education Employees Health Insurance Plan ("PEEHIP"), which is a cost-sharing, multiple-employer defined benefit other post-employment benefit ("OPEB") plan administered by the Teachers Retirement System of Alabama. Alabama law requires the Public Education Employees Health Insurance Board to create an irrevocable trust to fund OPEB benefits to retirees participating in PEEHIP. In 2018, the University adopted the provisions of GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* ("GASB 75"). GASB 75 requires that the University recognize its proportional share of net OPEB liability, based on an actuarial valuation, and the OPEB expense, in the University's financial statements. *See* Appendix A – note (13) – "Other Post-Employment Benefit Plans".

The University's audited financial statements for the year ended September 30, 2020 are attached as Appendix A.

Faculty and Staff

Faculty and staff employees for the University were as follows at September 30 for the years shown:

	2020	2019	2018	2017	2016
Full-time faculty by rank:					
Professor	172	176	176	187	180
Associate Professor	185	186	186	179	194
Assistant Professor	352	353	342	339	313
Instructor	121	129	138	139	145
Lecturer	1	1	1	1	1
TOTAL	831	845	843	845	833
Full-time faculty by length of service:					
Up to 2 years	146	164	190	215	205

	2020	2019	2018	2017	2016
3-4 years	122	151	131	107	102
5-9 years	210	168	152	151	163
10-14 years	115	137	146	155	147
15+ years	238	225	224	217	216
TOTAL	831	845	843	845	833
Percent of faculty tenured	32.0%	31.0%	31.2%	31.8%	33.3%
Part-time faculty	N/A	431	440	428	429
Non-faculty	N/A	5,047	4,707	4,611	4,666
Total University employees	N/A	6,307	5,971	5,866	5,911

Student Enrollment and Trends

Enrollment Strategy. As reflected in the tables below, since 2016 the University has experienced annual declines in total enrollment. This is attributable mostly to annual decreases in undergraduate enrollment. The University is addressing this trend through a strategy designed to better market the University to prospective students in general, and to better target those with higher probabilities of enrolling and matriculating through the University.

Specifically, the University has worked to increase on-campus visits. Tour activity increased more than 40% year-over-year (*i.e.*, Fall 2019 compared to Fall 2020). The University also increased its digital footprint by tripling electronic media name-buys and expanding other digital marketing tools. A new client relationship management system was employed by the University to enhance electronic mail and digital marketing programs. This system helps the University identify and communicate more proactively with those prospective students having higher likelihoods of interest in enrolling at the University.

Other efforts have included more proactive engagement of parents, college counselors, and others in the student recruitment processes. The University has also allowed students to apply with a "test-optional" strategy, and has incorporated a scholarship strategy that includes more need-based funding.

The University continues to focus on its transfer strategy and recruitment of international students. Fall 2021 transfer application activity has been tracking approximately 25% year-over- year (*i.e.*, Spring 2020 compared to Spring 2021). The University is also offering more merit-based scholarships to international students. The University anticipates enrolling more international students in Fall 2021 as this strategy takes hold and more travel pathways open. The University is also employing additional marketing resources with a focus of converting existing undergraduate students into students of the various graduate programs of the University, along with a potential increase in military-affiliated enrollment.

Short-Term Results. The University has been encouraged by the short-term results of its enrollment strategy. The University was able to better stabilize Fall 2020 enrollment by enrolling freshman at levels closer to Fall 2019 levels, and by experiencing gains in undergraduate student retention and graduation rates. The University experienced an increase in graduate students for the Fall 2020 semester, and for the subsequent Spring 2021 semester grew levels of new freshmen and transfer students by approximately 25%.

As of January 1, 2021, there was a 30% increase in Fall 2021 freshmen applications and accepted students compared to 2020. The University has a goal to grow freshmen by at least 15% for Fall 2021.

Enrollment, Application, Acceptance and Related Trends. The following tables present results for the periods indicated relating to student enrollment, applications, matriculations, and retention.

Total student enrollment by head count was as follows for the semesters shown:

	Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
Undergraduate	9,046	9,595	10,275	10,975	11,740
Graduate/Professional	5,174	4,796	4,541	4,581	4,682
Unclassified	4	6	18	13	21
Total	14,224	14,397	14,834	15,569	16,443

Applications, acceptances and matriculations for freshmen students:

	Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
Applications	8,057	6,282	6,488	5,855	6,087
Acceptances	5,877	4,929	5,132	4,798	4,882
Matriculations(1)	1,551	1,549	1,843	1,843	1,904
Percent of applicants accepted	72.9%	78.5%	79.1%	81.9%	80.2%
Percent of applicants enrolled	19.3%	24.7%	28.4%	31.5%	31.3%

(1) Reflects only first-time freshmen that started in the fall semester indicated.

Total enrollment by full-time equivalent:

	Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
Undergraduate	8,399	8,928	9,563	10,144	10,842
Graduate/Professional	4,582	4,230	4,027	4,013	4,288
Total	12,981	13,158	13,590	14,156	15,130

Retention rate for full-time freshmen entering in:

	Fall 2019	Fall 2018	Fall 2017	Fall 2016	Fall 2015
Number matriculated(1)	1,600	1,889	1,868	1,955	2,082
Number returned	1,223	1,400	1,390	1,517	1,524
Retention rate	76%	74%	74%	78%	73%

(1) Includes first-time freshmen that started in the fall semester indicated, plus first-time freshmen that started in the immediately preceding summer semester and reenrolled in the fall semester indicated.

Graduation Rates

Cumulative Graduation Rate:

Fall	Number	Four Years		Five Years		Six Years	
Class	Matriculated	Number	Percent	Number	Percent	Number	Percent
2016	1,955	620	32%	N/A	N/A	N/A	N/A
2015	2,082	581	28%	894	43%	N/A	N/A
2014	2,030	537	26%	812	40%	908	45%
2013	1,825	449	25%	751	41%	834	46%
2012	1,886	408	22%	707	37%	820	43%
2011	1,826	342	19%	599	33%	726	40%
2010	1,654	262	16%	493	30%	623	38%

Test Scores

Average ACT scores of matriculated students for years shown:

Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
23.9	23.9	23.9	23.4	23.5

Geographic Concentrations of Students

	Fall 2020	Fall 2019	Fall 2018	Fall 2017	Fall 2016
Mobile County	5,038	5,099	5,313	5,655	6,088
Baldwin County	1,243	1,288	1,292	1,366	1,328
Other Alabama counties	2,850	3,128	3,274	3,278	3,186
Florida	1,028	975	1,007	1,033	1,066
Mississippi	1,306	1,231	1,201	1,147	1,217
Other states in the U.S.A.	2,526	2,364	2,362	2,353	2,363
International	233	312	385	737	1,195
Total	14,224	14,397	14,834	15,569	16,443

Main Schools in Competitive Group and Listed Tuition – 2020-2021 Academic Year:

	Undergraduate		Graduate	
	Resident	Non-Resident	Resident	Non-Resident
University of South Alabama	$9,870	$19,740	$10,608	$21,216
In-state reference group:				
Alabama A & M University	8,610	17,220	10,128	20,160
Alabama State University	8,328	16,656	9,888	19,776
Athens State University	6,180	12,360	6,936	12,000
Auburn University	10,080	30,240	10,080	30,240
Auburn University at Montgomery	9,990	22,440	10,104	22,728
Jacksonville State University	9,720	19,440	9,600	19,200
Troy University	9,750	19,500	10,200	20,400
University of Alabama	10,780	30,250	10,780	30,250
University of Alabama at Birmingham	10,710	25,500	10,800	25,584
University of Alabama in Huntsville	9,730	22,126	10,632	24,430
University of Montevallo	12,090	25,110	10,512	25,128
University of North Alabama	9,600	19,200	8,880	17,760
University of West Alabama	9,100	18,200	8,904	17,808
Mean of in-state reference group	9,590	21,403	9,803	22,305
Regional reference group:				
University of Southern Mississippi	8,786	10,786	8,786	10,786
University of New Orleans	8,772	13,608	9,108	13,678
University of West Florida	6,360	19,238	4,536	12,444
Mean of regional reference group	7,973	14,544	7,477	12,203

In-State Reference Group Source: Alabama Commission on Higher Education Annual Tuition Schedule

Certain Fees and Charges

The following shows the fee schedule for Undergraduate and graduate Arts and Sciences majors for the periods shown. The course fees for other majors are slightly higher. Except as otherwise indicated, course fees are per semester hour. Graduate School does not include the College of Medicine.

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Application fee	$35	$35	$35	$35	$35
Registration fee (charged only if enrolled in less than 15 semester hours)	150	150	150	150	150
Late registration fee	100	100	100	100	100
In-state course fee, per semester hour					
Undergraduate	329	329	329	313	302
Graduate	442	442	442	421	407
Out-of-state course fee, per semester hour					
Undergraduate	658	658	658	626	604
Graduate	884	884	884	842	814

College of Medicine

Fees and certain charges for the College of Medicine were as follows for the periods indicated:

	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Application fee	$110	$110	$75	$75	$75
Resource fee	472	472	436	436	400
Course fee, academic year					
In-state	31,004	31,004	31,004	30,101	29,083
Out-of-state	62,008	62,008	62,008	60,202	58,166

Degrees Awarded

The University awarded the following degrees for the academic years ending May 31 for the years shown below:

	2020	2019	2018	2017	2016
Baccalaureate	2,109	1,902	2,080	2,066	1,996
Masters	1,067	1,126	1,209	1,253	1,080
Para-professional certificates	216	207	273	188	169
Professional:					
M.D.	66	80	73	70	73
Ph.D.	37	33	25	31	32
Au.D.	9	13	11	11	10
D.P.T.	38	39	40	40	37
D.N.P.	166	157	185	96	135
Ed.D.	6	16	10	8	1
Total	3,498	3,366	3,633	3,575	3,364

Student Financial Aid

The University awarded and paid financial aid at the following levels for the following academic years, as follows:

	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016
Federal government:					
Student Loans	$ 127,943,857	$128,987,195	$128,510,503	$129,303,631	$118,370,532
Grants	19,780,863	21,951,792	21,855,448	20,719,720	20,258,516
Student employment	275,438	341,437	295,491	277,393	329,675
University:					
Loans	200,627	173,022	169,711	202,621	137,311
Scholarships	27,357,552	29,944,597	26,338,719	25,093,131	18,924,943
Total	$175,558,337	$181,398,043	$177,169,872	$175,596,496	$158,020,977

GOVERNING BODY

State law provides for a Board of Trustees as the governing body of the University with all of the rights, privileges and authority necessary to promote the purpose of its creation, which is to establish and provide for the maintenance and operation of a state university in Mobile County, Alabama. The Board of Trustees consists of sixteen members. The Governor is the ex officio President of the Board of Trustees. Three members of the Board of Trustees are appointed from Mobile County. Five members are appointed from the State at large. Two members are appointed from the United States at large. One member is appointed from each of the following state senatorial districts, or combinations thereof, as those districts were designated at the time the University was organized: (1) Sixteenth and Seventeenth Districts; (2) Nineteenth and Twentieth Districts; (3) Twenty-first District; (4) Twenty-third, Twenty-fifth, and Thirtieth Districts; and (5) Thirty-fifth District. All Trustees, except ex officio members, are appointed by the Governor by and with the advice and consent of the State Senate, and hold office for a term of six years and until their successors shall be appointed and qualified. The present members of the Board of Trustees are as follows:

Name of Trustee	Occupation	Current Term Expires
Katherine Alexis Atkins	Businesswoman	September 30, 2025
Dr. Scott A. Charlton	Physician	September 30, 2021
Mr. E. Thomas Corcoran	Businessman	September 30, 2021
Dr. Steven P. Furr	Physician	September 30, 2023
William Ronald Graham	Business Administration	September 30, 2023
Mr. Robert D. Jenkins, III	Businessman	September 30, 2025
Mrs. Arlene Mitchell	Philanthropist and Civic Volunteer	September 30, 2021
Lenus M. Perkins	Business Administration	September 30, 2023
Mr. James H. Shumock	Businessman	September 30, 2021
The Honorable Kenneth O Simon	Attorney	September 30, 2025
Mrs. Chandra Brown Stewart	Business Administration	September 30, 2025
Dr. Steven H. Stokes	Physician	September 30, 2023
Margie Malone Tuckson	Business Administration	September 30, 2023
The Honorable Michael P. Windom	Judge	September 30, 2025
Mr. James A. Yance	Attorney, Retired	September 30, 2021
The Honorable Kay Ivey	Governor, State of Alabama	Ex Officio

The organization below the Board of Trustees is composed of the President and eight Vice Presidents: Executive Vice President; Provost and Senior Vice President for Academic Affairs; Vice President for

Development and Alumni Relations; Vice President for Student Affairs; Vice President for Medical Affairs and Dean of the College of Medicine; Vice President for Research and Economic Development; Vice President for Marketing and Communications; and Vice President for Finance and Administration.

The Board of Trustees appoints the President of the University. Dr. Tony G. Waldrop has served as President of the University since April 1, 2014. Dr. Waldrop is the third President in the history of the University. Dr. Waldrop came to the University after serving four years as provost and executive vice president at the University of Central Florida, and in prior roles as vice chancellor for research and economic development at the University of North Carolina and vice chancellor for research at the University of Illinois. Dr. Waldrop received his Ph.D. from the University of North Carolina.

After a seven-year tenure as President of the University, on February 11, 2021, Dr. Waldrop announced his decision to retire from the University. Dr. Waldrop plans to remain as President of the University at least through the remainder of the current academic year. In the meantime, the University will organize a Presidential Search Committee to conduct a national search to identify a successor President of the University.

G. Scott Weldon is the Vice President for Finance and Administration. Mr. Weldon oversees the Finance and Administration Division of the University, which is collectively responsible for developing and overseeing the budget process, treasury and accounting, financial planning and analysis, facilities, human resources, risk management and the telecommunications systems for the University. Prior to his appointment as Vice President for Finance and Administration in October 2015, Mr. Weldon served as Assistant Vice President for Finance and Administration at the University. Mr. Weldon received his B.S. and M.A. from the University of Alabama.

HEALTH CARE SYSTEM

USA Health, a division of the University, is an academic healthcare system that consists of two academic tertiary hospitals, a cancer institute and a physician faculty practice. USAUH is a 406-licensed bed tertiary care center with the region's only Level 1 trauma center and burn center that supports the adult teaching and research missions of the USA College of Medicine. Recognized as a top performer on key quality measures, USAUH offers advanced treatment of stroke, cardiovascular disease and sickle cell disease. Patients treated at USAUH tend to require medically complex and extensive care and treatment. USAUH has seen a 91% increase in gastroenterology cases from 2013-2020. This growth is a result of USAUH's focus on research and services unique to the region, as well as high patient satisfaction ratings. Surgery cases at USAUH increased by 55% from fiscal year 2013 – 2020 and increased 10% from fiscal year 2019 to 2020, despite the pandemic. The total number of patients seen in the USAUH Trauma Center in 2019 was 28,914, an increase of 9% from fiscal year 2018. Trauma volume fell to 26,590 patients in fiscal year 2020 due to COVID-19. USAUH held a ribbon-cutting for its new 32,000 square foot trauma center in December 2020. The new center will replace the current 11,000 square foot emergency department. The move will allow for expansion of other services into the current 11,000 square foot old emergency department to include critical care beds. USAUH started fiscal year 2020 with 189 patient beds. In response to COVID-19, a 10-bed COVID-19 unit was opened in March 2020. Additionally, USAUH plans to open 34 inpatient beds on the hospital's 11th floor during fiscal year 2021. Gross Revenues of USAUH for the last nine fiscal years were as follows:

Year	Gross Revenues
2020	$662,620,142
2019	614,219,907
2018	474,193,133
2017	470,741,917
2016	406,528,233
2015	360,250,280
2014	348,119,160
2013	328,142,373
2012	308,341,443

USACW is a 152-licensed bed hospital dedicated to providing services to children and women. From 2013 to 2019, USACW experienced an 11% increase in pediatric emergency visits, but declined by the same metric in fiscal year 2020 due to COVID-19. Despite the pandemic, USACW experienced a 20% increase in surgeries from fiscal years 2013 through 2020. Between July 2019 and June 2020, USACW delivered 2,408 babies, which represents 40% of the babies born in Mobile County. The overall birth rate for Mobile County fell 9% from 2014 to 2018, with USACW's percentage of area births remaining constant. The services provided by USACW are among those provided by fewer than five hospitals nationwide that are dedicated solely to the provision of care for both children and women. USACW has the region's highest level Neonatal ICU unit, Pediatric ICU unit, 24-hour Pediatric Evaluation Unit, High-Risk Obstetrics program and Pediatric Surgery Anesthesia Services. USACW also supports the teaching and research missions of the University. In 2015, a 195,000 square foot expansion of USACW was placed into service. USACW has plans to renovate mother suites, converting every three (3) rooms into two (2) rooms, creating a better patient experience and making the service more competitive in the market. In addition, plans are being reviewed to enhance the USACW pediatric emergency room.

Gross Revenues of USACW for the last nine (9) fiscal years were as follows:

Year	Gross Revenues
2020	$393,098,849
2019	287,570,187
2018	249,122,847
2017	243,090,525
2016	248,819,071
2015	241,114,324
2014	219,808,672
2013	203,746,723
2012	211,758,092

USAMCI is the only academic cancer research and treatment center in the upper Gulf Coast corridor. Providing cancer care to a catchment area of over 4.1 million persons in a 150-mile radius, USAMCI brings state-of-the art, research-based cancer treatment to the region, serving over 2,700 new individual patients per year. Its capabilities span the entire continuum of cancer care, from prevention and early detection to treatment and survivorship. With a highly skilled and trained team of oncologists, USAMCI is improving cancer outcomes for patients, including the most vulnerable residents of the county, state and beyond. USAMCI provides cancer treatment in two Mobile, Alabama locations, as well as one in Fairhope, Alabama. For patients who are not candidates for traditional cancer therapy, USAMCI offers a host of clinical trials with over 80 patients enrolled in therapeutic clinical trials per year, approximately 22% of whom are minority patients. USAMCI has 12 Principal Investigators conducting research, funded through the National Institutes of Health, the Department of Defense, the American Cancer Society and other federal sources. As an integrated cancer treatment and research center, USAMCI provides innovative cancer care in a caring environment with 14 clinical faculty members, while accelerating research to enhance care delivery for future patients. USAMCI reported 2,708 new patient visits in fiscal year 2020, with 21,055 follow up visits. Of note, gynecology follow-up visits increased 10% and cyberknife treatments increased 233% from fiscal year 2019 to 2020. In addition, USAMCI opened a specialty pharmacy in July 2018, filling 4,277 prescriptions in fiscal year 2019 and 5,593 in fiscal year 2020 (a 31% increase). At the end of 2018, USAMCI was restructured and placed under USA Health leadership and operations versus operating as a stand-alone facility within the University. As a result, USAMCI has been able to leverage healthcare facilities to grow clinical opportunities. Additionally, USAMCI became provider-based with USACW in September 2019, and added state-of the-art monarch robotic bronchoscopy services, with 84 treatments in fiscal year 2020. These changes contributed to the increase in margin from a negative 7.6% in fiscal year 2019 to a positive 20.8% in fiscal year 2020. Gross Revenues of USAMCI for the last nine fiscal years were as follows:

Year	Gross Revenues
2020	$62,626,474
2019	51,099,476
2018	19,709,735
2017	19,933,067
2016	15,829,428
2015	18,048,802
2014	25,158,623
2013	22,038,595
2012	22,087,983

Comprised of more than 250 academic physicians on faculty at the USA College of Medicine, the Ambulatory Services physician faculty practice is the region's largest multi-specialty practice and the only academic physician's group along the central Gulf Coast. Ambulatory Services physicians practice throughout Mobile County, including at the University's hospital and clinic campuses and on the University's main campus. The Strada Patient Care Center, a 133,000 square foot building that was placed in service December 2016 and is located near USACW, provided 153 patient exam rooms, 16 nurses' stations, and 7 educational conference rooms. The physicians group has over 250 clinical providers and over 190 advanced practice providers that completed 182,764 clinic visits in fiscal year 2020. The collective mission of the Ambulatory Services health care providers is to deliver leading-edge care to patients and to support the larger mission of the USA College of Medicine in the education and training of students and resident physicians and in the advancement of medical care through medical research. Prior to July 1, 2016, Ambulatory Services was operated by the University of South Alabama Health Services Foundation (the "HSF"), a 501(c)(3) organization that has been included in the University's financial statements as a discretely presented component unit. As of July 1, 2016, Ambulatory Services activities were transferred by HSF to the University and the revenues and expenses of the faculty practice included in the University's Statement of Revenues, Expenses and Changes in Net Position. Gross charges by year from these activities were as follows:

Year	Gross Revenues
2020	$249,409,682
2019	176,840,712
2018	120,488,250
2017	125,686,741
2016	136,470,653

On May 2, 2017, the University formed the University of South Alabama Health Care Authority, an Alabama public corporation (the "USA HCA"), pursuant to Section 16-17A-1 *et seq.* of the Code of Alabama 1975, as amended. The University utilizes the USA HCA for certain administrative and personnel functions at USA Health. Medical practices included within USA HCA have generated revenues for the University. Indebtedness, if any, issued by USA HCA would not be secured by Pledged Revenues. Moreover, the University does not currently intend or expect the USA HCA to take title to any material health care assets of the University.

USA Health Care Authority has grown to more than 75 providers, including more than 50 physicians. Gross charges by year for HCA were as follows:

Year	Gross Revenues
2020	$32,026,193
2019	35,128,988
2018	24,243,252

KPMG has audited the financial statements for USA HCA for the fiscal year ended September 30, 2020. *See* Page 29 of Appendix A attached hereto.

ACADEMIC MEDICAL CENTERS

Academic Medical Centers ("AMCs") throughout the United States face a dynamic healthcare environment. These changes include potential funding reductions from governmental entities and insurance companies, as well as a transition from productivity to value-based reimbursements.

As a result, AMCs are evaluating their business models and restructuring themselves to respond to the current and future healthcare environments. Nationwide, AMCs are evaluating partnerships with other AMCs or even non-AMC healthcare providers. Consistent with this national trend, the University, although in the very early stage, is proactively addressing its structure and governance with respect to these issues.

USA TECHNOLOGY & RESEARCH CORPORATION

The USA Research and Technology Corporation ("USARTC") was incorporated in 2002 as a not-for-profit corporation under the laws of the State of Alabama. The mission of USARTC is to facilitate new and enhanced types of interaction between the University and the wider public and private sectors and to serve as a catalyst for regional development by furthering innovation and enterprise in a collaborative and principled fashion that respects and elevates the social and economic well-being of the community. The facilities of USARTC are located on approximately 160 acres adjacent to the main campus of the University, an area known as the USA Technology & Research Park (the "Park"). USARTC owns three buildings in the Park, which together comprise approximately 222,300 square feet of space available for lease, with approximately 200,000 square feet currently under lease.

Since USARTC's inception, total tenant employment (non-University) has grown to approximately 350, including approximately 50 University graduates. There were no student interns employed at the Park over the course of the past year due to COVID-19.

FACILITIES

Current Facilities

The University has 5,371,008 gross square feet of inventory space presently in use, including the USA Baldwin County-Fairhope Campus, USA Health University Hospital, USA Health Mitchell Cancer Institute, and USA Children's & Women's Hospital. Existing main campus structures include the Administration Building; Instructional Laboratory Building; Library; Biomedical Library; Chemistry Building; Life Science Building; Health, Physical Education and Recreation Building; Student Center; Humanities Building; Medical Sciences Building; Multi-Purpose Arena; Performing Arts Building; Business Building; Student Services Building; Archaeology Building; Intramural Fieldhouse; Transportation Services Building; three Technology and Research buildings; Shelby Hall; Health Science; Dining Facility; Faculty Club; Academic Services; Business Resource Center; Innovation in Learning Center; Education Services Building; Education and Outreach Building, and a variety of residence halls. The Bethel Theater, Mobile Townhouse, and Alumni Hall, all located on the campus, are renovated buildings of great historic value.

Historical details of construction, acquisition and renovations at the University campus are as follows:

Years of construction or acquisition	Gross Square Feet Constructed or Acquired	Gross Square Feet Renovated
Prior to 1960	1,091,119	207,676
1960-1969	813,280	302,671
1970-1979	1,046,420	192,963
1980-1989	597,710	81,712
1990-1999	277,443	-

2000-2009	550,333	153,575
2010-2015	714,605	502,204
2016-2020	859,527	231,306
Total	5,950,437	1,672,107

The campus is served by water, gas and electric utilities supplied by public utilities serving the greater Mobile metropolitan area.

Insurance

Claims for damages to the University's campus property are covered by the State Insurance Fund of the State of Alabama's Division of Risk Management. All buildings and contents are covered by the State Insurance Fund policy. The University uses two self-insured trust funds to pay general liability and professional liability claims. Injuries from work-related incidents to those employees covered by the University's self-insured health plan are covered by that plan. Work-related injuries to employees not covered by the health plan are reviewed by the State Board of Adjustment for final resolution.

Student Housing

University Owned Housing. With respect to on-campus student housing, approximately 2,332 beds (with capacity to expand up to 2,400 beds, if needed) are available for occupancy in campus student residences. Over the last five years, occupancy rates have averaged 92%, with the Fall 2020 semester at 79.8%. The decline in Fall 2020 occupancy is a result of the University revising its student housing model to provide a safer environment during COVID-19, which included reducing bed space to account for proper residential social distancing. As a result, the University opened with Fall 2020 capacity for University-owned housing at approximately 1,833 beds. The University intends to return to the space allocations in place prior to the COVID-19 pandemic once current distancing measures are no longer in place. Approximately 13% of total headcount enrollment occupied student housing for the Fall 2020 semester.

The University expects Spring 2021 semester housing to continue operating under current COVID-19 protocols. The residence halls opened January 18, 2021, with an occupancy of 1,778. There are 42 rooms reserved in the Delta residential community to be utilized as quarantine/isolation rooms, as needed, for student residents. The 42 quarantine rooms are typically double occupancy, but were converted to single occupancy in accordance with University COVID-19 protocols. Residence halls are scheduled to close May 7, 2021, for non-graduating residents, and May 9, 2021, for graduating residents.

Non-University Owned Housing. In addition to the approximately 2,332 University-owned beds, there are several apartment-style housing complexes not owned by the University but that focus on University students. One is located on campus and the rest are located off-campus. The on-campus complex was built on land leased by the University to a developer under a long-term lease, and the University is under no obligation to guarantee the financing relating to that complex, occupancy within that complex, or any other revenue or performance activity from the same. The off-campus complexes are built on land not owned by the University. These complexes offer approximately 3,000 beds.

SUMMARY INFORMATION RESPECTING STATE AND PRIVATE FUNDING

State Appropriations

The University has received appropriations from the State of Alabama for certain of its operating costs and other non-operating cash requirements, including capital expenditures. State appropriations may not lawfully be used for the payment of debt service on the Bonds, including the Series 2021 Bonds. There can be no assurance that future Legislatures will continue to make such appropriations, or, if made, that they will be timely or sufficient when added to operating revenues and General Fees, Auxiliary Enterprise Revenues, and Children's & Women's Hospital Revenues remaining after the payment of debt service, to cover in full, operating expenses of the University.

The following tabulation compiled by the University staff from University accounting records shows State appropriations to the University for the fiscal years ended September 30, 2016, through September 30, 2020:

Fiscal year ended	Total Appropriations	
September 30	Authorized	Received
2020	$123,063,000	$123,063,000
2019	115,209,000	115,209,000
2018	107,284,718	107,284,718
2017	107,284,717	107,284,717
2016	104,976,761	104,976,756

Although not pledged for payment of debt service on the Bonds or otherwise subject to the lien of the Indenture, the University relies on State appropriations to fund basic operations, student services and other costs of the University. The Alabama State Legislature is considering the implementation of an outcomes-based funding model for a portion of state appropriations paid to State of Alabama universities, such as the University. In theory, an outcomes-based formula increases or reduces appropriations to a particular university based upon its success or failure, respectively, against certain established performance measures. This initiative is in the early phase, and, as such, it is not possible at this time to determine whether this initiative will be adopted and become part of the State appropriation process for public university funding or how the University's funding would be impacted.

Endowment Assets

Endowment assets for the University are deposited both in the University and in the Foundation (described below). Net endowment assets in the accounts of the University at September 30, 2020, were $189,080,729. Of the net endowment assets, $63,623,529 are classified as restricted, nonexpendable, $79,364,380 are classified as restricted, expendable, and $46,092,820 are classified as unrestricted. The Board of Trustees has an approved endowment management and investment policy that includes an established spending rate of 4.5% based on the 5-year moving average of net assets of endowments. In maintaining its endowment, it is the goal of the University to provide revenue while preserving principal to fund those projects which have been endowed for specific purposes. Net assets of endowments are allocated as follows at September 30, 2020:

Equities, Pooled direct investments and mutual funds	$86,722,799
Fixed income, pooled direct investments and mutual funds	47,661,897
Managed income alternative investments	41,330,347
Other	13,365,686
Total	$189,080,729

The University of South Alabama Foundation

The University of South Alabama Foundation (the "Foundation"), a legally separate entity, exists for the primary purpose of advancing the purpose of the University in furthering, improving and expanding its properties, services, facilities and activities. Its total assets at June 30, 2020, its most recent audited fiscal year-end, were $387,872,000, and its net assets were $387,123,000 at the same date. Assets are primarily invested in marketable securities (41%), timber and mineral properties (43%) and real estate (14%). Cash and non-cash distributions to the University over the past six fiscal years are, as reported in the audited financial statements of the Foundation for the years ended June 30, 2015, through June 30, 2020, as follows:

Fiscal Year Ended June 30,	Distributions
2020	$10,280,000
2019	9,755,000
2018	9,703,000
2017	9,603,000
2016[1]	10,561,000
2015	4,731,000

[1] In fiscal year 2010, the University and the Foundation executed a purchase and sale agreement calling for the University to sell approximately 327 acres on Mobile Bay, known as the Brookley campus, to the Foundation. The terms of the agreement required the Foundation to pay the University $20,000,000 - $4,000,000 at closing and $4,000,000 annually thereafter through fiscal year 2015. The distribution for the Foundation's fiscal year ended June 30, 2016 reflects the Foundation's completion of its obligations under the purchase and sale agreement and corresponding increase in annual distributions to the University.

Alabama Public School and College Authority Funding

On November 4, 2020, the Alabama Public School and College Authority, a public corporation under the laws of the State of Alabama ("APSCA"), issued a series of limited obligation bonds pursuant to Act No. 2020-167 enacted at the 2020 Regular Session of the Legislature of Alabama (the "2020 APSCA Act"). Pursuant to the 2020 APSCA Act, the University was allocated $18,159,466 in grant funding from APSCA out of proceeds from such bonds for payment of capital improvements on the campus of the University.

On November 19, 2020 Governor Ivey announced intended additional funding from the APSCA totaling $50,000,000 for application towards a new medical school building.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a brief summary of certain provisions of the Indenture, as heretofore amended and supplemented and as further amended and supplemented by the Eighteenth Supplemental Indenture, to which Indenture and Eighteenth Supplemental Indenture in their entirety reference is made for the detailed provisions thereof. Unless the context clearly indicates otherwise, all references herein shall be deemed to include the Series 2021 Bonds, the Outstanding Bonds, and any Additional Bonds hereafter issued under the Indenture.

As used in the following summary, the following definitions shall have the following respective meanings.

"*Annual Debt Service Requirement*" means, as of any date of determination, the amount of principal and interest maturing with respect to the then outstanding Bonds in such Bond Year; provided, (i) that the principal amount of any Bonds subject to a Mandatory Redemption Provision during such Bond Year shall, for purposes of this definition, be considered as maturing in the Bond Year during which such redemption is required and not in the Bond Year in which their stated maturity occurs; (ii) in the case of Bonds (whether outstanding or proposed to be issued) that bear interest at a variable or adjustable rate, the interest payable on such Bonds shall be calculated on the assumption that such Bonds bear interest at a fixed rate of interest estimated by a professional consulting firm or investment banking firm acceptable to the Trustee by reference to bonds of similar credit rating maturity and tax characteristics on the date such calculation is made; and (iii) for purposes of the foregoing formula, Bonds that are "deemed paid" under the Indenture shall not be deemed outstanding.

"*Bond Year*" means the period beginning November 2 in each calendar year and ending on November 1 of the next succeeding calendar year.

"*Interest Payment Date*" means (a) with respect to the Series 2021 Bonds, each April 1 and October 1, commencing October 1, 2021, and (b) with respect to any series of Additional Bonds, such date or dates as shall be specified in the Supplemental Indenture pertaining to such Additional Bonds as the dates for payment of interest of such Additional Bonds.

"*Mandatory Redemption Provision*" means any provisions that may be set forth in a Supplemental Indenture for mandatory redemption of any Additional Bonds at a redemption price equal to the principal amount thereof.

"*Principal Payment Date*" means (a) with respect to the Series 2021 Bonds, each April 1 commencing April 1, 2022, and (b) with respect to any series of Additional Bonds, a date (which shall in every case be the first day of a Month) specified in the Supplemental Indenture pertaining to such Additional Bonds as a date for payment of principal of such Additional Bonds.

"*Supplemental Indenture*" means an agreement supplemental to the Indenture.

Special Funds

Bond Fund. The Indenture provides for the creation of a special trust fund called the "Bond Principal and Interest Fund." The University is required to pay into the Bond Fund, in addition to all other amounts required by the Indenture, the following:

(a) Contemporaneously with the issuance and sale of any of the Bonds and out of the proceeds derived from such sale, the University (or the Trustee on behalf of the University) is required to pay into the Bond Fund such part of the proceeds from the sale as is allocable to premium (if any) and accrued interest.

(b) On or before the Business Day next preceding each Interest Payment Date until the principal and the interest on the Bonds is paid in full, the University is required to pay into the Bond Fund, out of the Pledged Revenues, an amount equal to the sum of (i) the semiannual installment of interest that will mature on the Bonds on the then next succeeding semiannual Interest Payment Date with respect thereto, plus (ii) the principal that will become due on the Bonds on the then next succeeding Principal Payment Date, plus (iii) the principal required to be redeemed on the next succeeding Principal Payment Date pursuant to any Mandatory Redemption Provision.

All moneys paid into the Bond Fund are required to be used only for payment of the principal of and the interest on the Bonds upon or after the respective maturities of such principal and interest and to redeem Bonds subject to a Mandatory Redemption Provision. If at the final maturity of the Bonds, however, such Bonds may mature, there are in the Bond Fund moneys in excess of what is required to pay in full the principal of and the interest on the Bonds, then any such excess will be returned to the University.

Prior to the issuance of any Additional Bonds, there shall be executed and delivered a Supplemental Indenture containing a provision that the semiannual payments into the Bond Fund be adjusted to provide for such additional amounts as may be necessary to pay the principal of and interest on such Additional Bonds; provided, however, that in making such adjustment the principal amount of any such Additional Bonds required by the terms of the Supplemental Indenture to be redeemed during any Bond Year shall be considered as maturing in the Bond Year during which such redemption is required and not in the Bond Year in which their stated maturity occurs.

Additional Bonds

The Indenture authorizes the issuance of Additional Bonds, subject to the provisions of the Indenture. Among the conditions to the issuance of any Additional Bonds are the following:

(a) Supplemental Indenture. Prior to the issuance of any Additional Bonds, there shall be executed and delivered a Supplemental Indenture containing: (i) a description of the Additional Bonds proposed to be issued, including the date, the aggregate principal amount, the series designation, the denomination or denominations, the interest rate or rates (or provisions for determining the same), the maturity or maturities, the form of such Additional Bonds, and any provisions for redemption thereof prior to their respective maturities; (ii) a statement of the purpose or purposes for which the Additional Bonds are proposed to be issued; and (iii) any other provisions that do not conflict with the provisions of the Indenture.

(b) Certificate as to Pledged Revenues. The item or items required by either of the following subparagraphs (i) or (ii):

> (i) A certificate by the Vice President for Finance and Administration of the University certifying that the amount of Pledged Revenues received during the Fiscal Year next preceding the date of the issuance of the Additional Bonds then proposed to be issued was not less than 125% of the maximum Annual Debt Service Requirement with respect to the then current or any then succeeding Bond Year immediately following the issuance of the then proposed Additional Bonds, which certificate shall set forth the figures on which it is based and shall recite that the Pledged Revenues for such Fiscal Year specified therein were taken from the annual audit of the University for such Fiscal Year or, if such audit shall not have been completed for the most recent Fiscal year at the date of such certificate, were taken from the official records of the University, or
>
> (ii) A Resolution or Resolutions adopted by the University after the commencement of the Fiscal Year next preceding the issuance of the then proposed Additional Bonds either (i) increasing the General Fees, or (ii) levying new fees and charges of a type or kind different from the General Fees, or (iii) a combination thereof, accompanied by a certificate of the Vice President for Finance and Administration stating that if the increased General Fees or the new fees set forth in the said Resolution or Resolutions had been in effect throughout the Fiscal Year next preceding the date of issuance of the then proposed Additional Bonds, the amount of Pledged Revenues during the Fiscal Year next preceding the date of issuance of the then proposed Additional Bonds would have been not less than 125% of the maximum Annual Debt Service Require1nent during the then current or any then succeeding Bond Year with respect to Bonds that will be outstanding immediately following the issuance of the then proposed Additional Bonds; and

(c) Opinion of Independent Counsel. An opinion dated on the date of issuance of such Additional Bonds, signed by Independent Counsel acceptable to the Trustee, approving the forms of all documents required above to be delivered to the Trustee and reciting that they comply with the applicable requirements set out above.

Maintenance of Pledged Revenues

The University has covenanted in the Indenture that, so long as any of the Bonds remain outstanding and unpaid, the University will fix, levy and collect General Fees and Auxiliary Enterprises Revenues from all students attending the University during each Fiscal Year in such amounts and at such times as shall be required to produce revenues sufficient to pay the principal of, unamortized premium, if any, and interest on the Bonds during the same Fiscal Year. No covenant with respect to the Children's & Women's Hospital Revenues has been made.

Supplemental Indentures

Supplemental Indentures Without Bondholder Consent. The University and the Trustee may at any time and from time to time enter into such Supplemental Indentures (in addition to such Supplemental Indentures as are otherwise provided for in the Indenture) as shall not be inconsistent with the terms and provisions of the Indenture, for any one or more of the following purposes:

(a) to add to the covenants and agreements of the University contained in the Indenture other covenants and agreements thereafter to be observed and performed by the University, provided that such other covenants and agreements may not either expressly or impliedly limit or restrict any of the obligations of the University contained in the Indenture;

(b) to cure any ambiguity or to cure, correct or supplement any defect or inconsistent provisions contained in the Indenture or in any Supplemental Indenture or to make any provisions with respect to matters arising under the Indenture or any Supplemental Indenture for any other purpose if such provisions are necessary or desirable and are not inconsistent with the provisions of the Indenture or any Supplemental Indenture and do not adversely affect the interests of the holders of the Bonds;

(c) to subject to the pledge contained in the Indenture additional revenues or to identify more precisely any of the revenues of the University subject to the Indenture;

(d) to cause the Indenture to comply with the provisions of the Trust Indenture Act of 1939 or such other federal securities laws as may hereafter be applicable to the Indenture; or

(e) to provide for the issuance of Additional Bonds in accordance with the Indenture.

Any such Supplemental Indenture will not require the consent of any bondholders.

Supplemental Indentures Requiring Bondholders Consent. In addition to those Supplemental Indentures described above, the Indenture provides that the University and the Trustee may, at any time and from time to time, with the written consent of the holders of not less than a majority in aggregate principal amount of Bonds then outstanding, enter into such Supplemental Indentures as shall be deemed necessary or desirable by the University and the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the term or provisions contained in the Indenture or in any Supplemental Indenture; provided that without the written consent of the Holder of each Bond affected, no reduction in the principal amount of, rate of interest on, or the premium payable upon the redemption of, any Bond shall be made; and provided, further, that, without the written consent of the holders of all the Bonds, none of the following shall be permitted:

(a) an extension of the maturity of any installment of principal of or interest on any Bond;

(b) any change in any Mandatory Redemption Provision;

(c) the creation of a lien or charge on the Pledged Revenues ranking prior to or (except in connection with the issuance of Additional Bonds) on a parity with the lien or charge thereon contained in the Indenture;

(d) the establishment of preferences or priorities as between the Bonds (but only with respect to the security provided for all Bonds); or

(e) a reduction in the aggregate principal amount of Bonds the holders of which are required to consent to such Supplemental Indenture.

Any Supplemental Indenture that requires the consent of holders of the Insured Series 2021 Bonds or adversely affects the rights or interests of BAM shall also be subject to the prior written consent of BAM.

Upon the execution of any Supplemental Indenture under and pursuant to the provisions described above, the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under the Indenture of the University, the Trustee and all holders of the Bonds then outstanding shall thereafter be determined, exercised and enforced under the Indenture, subject in all respects to such modifications and amendments.

Defaults and Remedies

Events of Default under the Indenture include the following:

(a) failure by the University to pay principal of, the interest on or the premium (if any) on any Bond as and when the same shall become due, as provided therein and in the Indenture (whether such shall become due pursuant to any Mandatory Redemption Provisions or otherwise);

(b) failure by the University to perform and observe any of the agreements and covenants on its part contained in the Indenture (other than in the manner described in (a) above) which such failure continues for a period of not less than thirty (30) days after written notice of such failure has been given to the University by the Trustee or by the holders of not less than twenty-five percent (25%) in outstanding amount of Bonds, unless during such period or any extension thereof the University has commenced and is diligently pursuing appropriate corrective action; or

(c) determination by a court having jurisdiction that the University is insolvent or bankrupt, or appointment by a court having jurisdiction of a receiver for the University or for a substantial part thereof, or approval by a court of competent jurisdiction of any petition for reorganization of the University or rearrangement or readjustment of the obligations of the University under any provisions of the bankruptcy laws of the United States of America or the State of Alabama.

Upon the occurrence of an Event of Default the Trustee shall have the following rights and remedies:

(a) Acceleration. The Trustee may, by written notice to the University and with the consent of the bond insurer respecting any Bonds then outstanding and insured thereby, declare the principal of all the Bonds (including, without limitation, consent of BAM respecting acceleration of the Insured Series 2021 Bonds) forthwith due and payable, and such principal shall thereupon become and be immediately due and payable, anything in the Indenture or in the Bonds to the contrary notwithstanding. If, however, the University makes good that default and every other default under the Indenture (except for those installments of principal declared due and payable that would, absent such declaration, not be due and payable), with interest on all overdue payments of principal and interest, and made reimbursement of all of the reasonable expenses of the Trustee, then the Trustee may (and, if requested in writing by the holders of a majority in principal amount of the then outstanding Bonds, shall), by written notice to the University, waive such default and its consequences, but no such waiver shall affect any subsequent default or right relative thereto.

(b) Mandamus and Other Remedies. The Trustee shall have the right of mandamus or other lawful remedy in any court of competent jurisdiction to enforce its rights and the rights of the holders of the Bonds against the University and any officers, agents or employees of the University, including but not limited to the right to require the University and its officers, agents or employees to perform and observe all of its or their duties under Section 16-3-28 of the Code of Alabama 1975, as amended.

Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuation of a default or an Event of Default, BAM shall be deemed the sole holder of the Insured Series 2021 Bonds and shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Insured Series 2021 Bonds under the Indenture, and no default or Event of Default may be waived without the prior written consent of BAM.

Concerning the Trustee

The Trustee shall be under no obligation to institute suit or to take any proceedings under the Indenture or to enter any appearance or in any way defend in any suit in which it may be made defendant or to take steps in the execution of trust created or in the enforcement of any rights or powers under the Indenture, until it shall be indemnified to its satisfaction against any and all costs and expense, outlays and counsel fees and other reasonable disbursements and against all liability.

The Trustee shall not be liable in connection with the performance of its duties under the Indenture except for its gross negligence or willful misconduct.

The University has agreed to pay to the Trustee from time to time reasonable compensation for all services rendered by it under the Indenture, including the services of bond registrar and paying agent and also all of its reasonable expenses, charges, counsel fees and other disbursements and those of its attorneys and employees incurred in and about the performance of its powers and duties under the Indenture prior to the Bonds. Nothing contained in the Indenture or any supplemental indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it believes that the repayment of such funds or the making whole in respect of such liability is not reasonably assured to it.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings, a division of the McGraw-Hill Companies, Inc. ("S&P"), have given the Series 2021 Bonds an underlying rating of "A1" and "A+", respectively. S&P is expected to assign the Insured Series 2021 Bonds a rating of "AA" with the understanding that, upon delivery of the Insured Series 2021 Bonds, BAM will deliver the Policy to the Trustee.

The underlying rating provided by each of Moody's and S&P (collectively, the "Rating Agencies") reflects that agency's rating of the creditworthiness of the University with respect to obligations payable from the Pledged Revenues. The rating provided by S&P of the Insured Series 2021 Bonds reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance.

Any further explanation of the significance of such ratings may be obtained only from the appropriate Rating Agency. The University furnished to the Rating Agencies the information contained in this Official Statement and certain other information respecting the University and the Series 2021 Bonds. Generally, rating agencies base their underlying ratings on such materials and information, as well as on their own investigations, studies and assumptions.

The ratings indicated on the cover page are not recommendations to buy, sell or hold the Series 2021 Bonds, and any such ratings may be subject to revision or withdrawal at any time by the Rating Agencies. Any downward revision or withdrawal of any or all of such rating may have an adverse effect on the market price of the affected Series 2021 Bonds. Neither the University nor the Underwriters have undertaken any responsibility either to bring to the attention of the holders of Series 2021 Bonds any proposed revision, suspension or withdrawal of a rating or to oppose any such revision, suspension or withdrawal.

LITIGATION

To the best of the University's knowledge, there is no litigation pending or threatened (i) restraining or enjoining the issuance or delivery of the Series 2021 Bonds, (ii) contesting or affecting the validity of the Series 2021 Bonds or the proceedings or authority under which they are to be issued, (iii) contesting the creation, organization or existence of the University or the title of any of its present officials to their respective offices, or (iv) contesting the right of the University to enter into the financing documents to which it is a party or to secure the Series 2021 Bonds in accordance with the Indenture.

The University and its hospitals are immune from suit in medical malpractice matters; however, such claims may still be brought against healthcare providers employed to provide such services on behalf of the University. These providers are insured by the University's Professional Liability Trust Fund. If a final judgment were entered in any professional liability action in an amount in excess of its insurance coverage, the University would not be liable for the excess.

The University has been notified by the Equal Employment Opportunity Office ("EEOC") of charges filed with the EEOC against the University or its employees. The charges arise from alleged employment practices or policies. Should a lawsuit arise out of such charges, they would be covered by the University's General Liability Trust Fund.

Finally, the University has been notified of claims filed against it in the State Board of Adjustment. None of the aforementioned charges or claims involve any significant sums in excess of the sums otherwise provided for and would not have an impact upon the collection of the Pledged Revenues. In the opinion of the University's General Counsel, the aggregate exposure of the University with respect to all pending claims and suits would not be material to the University's financial position.

LEGAL MATTERS

The Series 2021 Bonds will be issued subject to the approving opinion of Bradley Arant Boult Cummings LLP, Birmingham, Alabama, Bond Counsel to the University. It is anticipated that the opinion of Bond Counsel to the University will be in substantially the form set forth in Appendix B.

The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the authoring firm or attorney does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon or the future performance of parties to the transaction, and the rendering of an opinion does not guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

General

In the opinion of Bradley Arant Boult Cummings LLP, Bond Counsel to the University, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, interest on the Series 2021 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code. Interest on the Series 2021 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code. In rendering its opinion, Bond Counsel to the University has relied on certain representations, certifications of fact and statements of reasonable expectations made by the University and others in connection with the Series 2021 Bonds, and Bond Counsel to the University has assumed compliance with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series 2021 Bonds from gross income under Section 103 of the Code.

Bond Counsel expresses no opinion regarding any other federal or state tax consequences with respect to the Series 2021 Bonds. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date and assumes no obligation to update its opinion after the issue date to reflect any future action, fact or circumstance, or change in law or interpretation, or otherwise. Bond Counsel expresses no opinion on the effect of any action taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2021 Bonds.

Certain Ongoing Federal Tax Requirements and Covenants. The Code establishes certain significant ongoing requirements that must be met subsequent to the issuance and delivery of the 2020 Bonds in order that interest on the Series 2021 Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series 2021 Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series 2021 Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The University has covenanted to comply under the Indenture with certain applicable requirements of the Code to assure the exclusion of interest on the Series 2021 Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral federal income tax matters with respect to the Series 2021 Bonds. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of any Series 2021 Bonds. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of Series 2021 Bonds.

Prospective owners of the Series 2021 Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes. Interest on the Series 2021 Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Premium. The initial public offering price to be paid for the Series 2021 Bonds (the "Original Issue Premium Series 2021 Bonds") is greater than the principal amount thereof. Under existing law, any owner who has purchased an Original Issue Premium Series 2021 Bond in the initial public offering of the Series 2021 Bonds is required to reduce his basis in such Original Issue Premium Series 2021 Bond by the amount of premium allocable to periods during which he holds such Original Issue Premium Series 2021 Bond, and the amount of premium allocable to each accrual period will be applied to reduce the amount of interest received by the owner during each such period. All owners of Original Issue Premium Series 2021 Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of interest accrued upon redemption, sale or other disposition of such Original Issue Premium Series 2021 Bond and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale, gift or other disposition of such Original Issue Premium Series 2021 Bond.

Bank Qualification. The Series 2021 Bonds have not been designated as "qualified tax-exempt obligations" under Section 265 of the Code.

Post-Issuance Matters. The tax-exempt status of the Series 2021 Bonds could be affected by post-issuance events. *See* "SPECIAL CONSIDERATIONS RESPECTING THE SERIES 2021 BONDS – Tax-Exempt Status of Series 2021 Bonds" herein. The Indenture does not provide for mandatory redemption of the Series 2021 Bonds or payment of any additional interest or penalty if a determination is made that the Series 2021 Bonds do not comply with the existing requirements of the Code, if a subsequent change in law adversely affects the tax-exempt status of the Series 2021 Bonds or the economic benefit of investing in the Series 2021 Bonds or if any other event or occurrence takes place that impacts the tax status of the Series 2021 Bonds.

CONTINUING DISCLOSURE

General

Under a Continuing Disclosure Agreement, dated the date of the Series 2021 Bonds (the "Continuing Disclosure Agreement"), the University has agreed to provide or cause to be provided to the Municipal Securities Rulemaking Board (the "MSRB") using its electronic municipal market access system (referred to as "EMMA"), certain updated financial information and operating data annually, and timely notice of specified events for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

See Appendix C for a form of the Continuing Disclosure Agreement relating to the Series 2021 Bonds.

A failure by the University to comply with the Continuing Disclosure Agreement will not constitute an event of default under the Indenture. Beneficial owners of the Series 2021 Bonds are limited to the remedies described in the Continuing Disclosure Agreement. A failure by the University to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2021 Bonds in the secondary market.

Compliance with Prior Continuing Disclosure Agreements

In connection with the prior issuance of certain of the Outstanding Bonds, the University has entered into other continuing disclosure agreements under the Rule. Certain supplemental financial and operating data for the fiscal year ended September 30, 2015, required by the prior agreements was not timely filed through EMMA, and the University did not file a notice of late filing of the same as required by the Rule. The University also did not file notice of the incurrence of a financial obligation it had entered on January 14, 2021, until February 17, 2021.

Effective August 2016, the University adopted new procedures intended to improve timeliness of its required filings under the Rule. In addition, the University made a remedial filing on EMMA containing the required supplemental financial and operating data for the fiscal year ended September 30, 2015. The University also prepared a template into which all financial and operating data can be compiled into a single document for future filings.

THE UNIVERSITY UNDERTAKES NO OBLIGATION TO PUBLICLY UPDATE OR REVISE ANY FORWARD LOOKING STATEMENT AS A RESULT OF NEW INFORMATION, FUTURE EVENTS OR OTHER INFORMATION.

STATE NOT LIABLE ON SERIES 2021 BONDS

The Series 2021 Bonds are limited obligations of the University payable solely out of, and secured by a pledge of, the Pledged Revenues. Neither the principal of nor the interest on the Series 2021 Bonds nor the aforesaid pledge or any other agreement contained in the Indenture shall constitute an obligation of any nature whatsoever of the State of Alabama, and neither the Series 2021 Bonds nor any obligation arising from said pledge or agreements shall be payable out of any moneys appropriated to the University by the State of Alabama.

FINANCIAL INFORMATION

Appendix A contains audited financial statements of the University for the fiscal year ended September 30, 2020. KPMG LLP, the University's independent auditor, has not been engaged to perform and has not performed, since the date of its report included herein as Appendix A, any procedures on the financial statements addressed in that report. KPMG LLP also has not performed any procedures relating to this Official Statement.

FORWARD LOOKING STATEMENTS

Certain statements contained in this Official Statement including, without limitation, statements containing the words "estimates," "believes," "anticipates," "expects" and words of similar import, constitute forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the University or other entities to which the forward-looking statements relate to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the University. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. The University and the Underwriters disclaim any obligation to update any such factors or to publicly announce the results of any revision to any of the forward-looking statements contained herein to reflect future events or developments.

SPECIAL CONSIDERATIONS RESPECTING THE SERIES 2021 BONDS

General

An investment in the Series 2021 Bonds involves certain risks which should be carefully considered by investors. The sufficiency of Pledged Revenues to pay debt service on the Series 2021 Bonds may be affected by events and conditions relating to, among other things, general economic conditions, population in the University's basic service area, the demand for higher education and legislative and administrative requirements on the University's operations.

Prospective investors should carefully examine this Official Statement and their own financial condition in order to make a judgment as to their ability to bear the economic risk of such an investment and whether or not the Series 2021 Bonds are an appropriate investment for them.

Holders of the Series 2021 Bonds should be aware that their rights and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases.

Limitations on Source of Payment, Security and Remedies

Limited Source of Payment. The Series 2021 Bonds will be limited obligations of the University, payable solely from, and secured by a pledge of, the Pledged Revenues. *See* "SECURITY AND SOURCE OF PAYMENT."

The Series 2021 Bonds will not be debts or obligations of the State of Alabama, and debt service on the Series 2021 Bonds will not be payable out of any money provided or appropriated to the University by the State of Alabama. Holders of the Series 2021 Bonds shall never have the right to demand payment of the Series 2021 Bonds from the University from any source other than the special funds established under the Indenture and the Pledged Revenues and shall be entitled to payment from such sources only on a parity basis with all other bonds outstanding under the Indenture.

Additional Debt. All Bonds are secured on a parity by the lien on Pledged Revenues. If the University incurs additional debt secured by the Indenture, the security interest in Pledged Revenues for the benefit of Bondholders will in effect be diluted.

Hospitals Are Limited Use Facilities. The hospitals and other health care facilities of the University, which are operating assets of the University, are limited use facilities, suitable primarily for hospital or health care purposes. Consequently, the market for sale or other disposition of such facilities is limited. In the event of a sale of such facilities, whether in a bankruptcy proceeding or otherwise, the number of potential purchasers and the sale price may be affected by the limited possible use.

Limitation on Remedies Upon Default. The Indenture does not constitute a mortgage on or security interest in any properties of the University, and no foreclosure or sale proceedings with respect to any property of the University may occur. The University is exempt from all suits under the doctrine of sovereign immunity, but state law provides that agents and employees of the University may, by mandamus, be compelled to apply the Pledged Revenues to the payment of the Series 2021 Bonds in accordance with the terms of the Indenture.

The remedies available to the registered holders of the Series 2021 Bonds upon the occurrence of a default under the Indenture are in many respects dependent upon regulatory and judicial actions, which are often subject to discretion and delay. Under existing law, the remedies provided under the Indenture may not be readily available or may be limited, and no assurance can be given that a mandamus or other legal action to enforce payment under the Indenture would be successful. The various legal opinions to be delivered concurrently with the delivery of the Series 2021 Bonds will be qualified as to enforceability of the various legal instruments, limitations imposed by bankruptcy, reorganization, insolvency or similar laws affecting the rights of creditors generally and by judicial discretion applicable to equitable remedies and proceedings generally.

Health Care Industry Factors

The health care industry is subject to a number of factors that could adversely affect the business prospects of the University. Among those factors are the following:

The Health Care Industry is Highly Regulated. The health care industry is highly regulated by the federal and state governments. These regulations relate to areas such as the required delivery of care whether or not patients have the resources for payment, the quality of care and outcomes of health care services provided, excessive re-admission of patients, accuracy of billing and collecting for services rendered, privacy of patients and their health care information, and the relationship between providers and physicians who refer patients to the provider's health care facilities. For providers organized as charitable organizations under Section 501(c)(3) of the Internal Revenue Code there are additional regulations that must be satisfied to preserve tax-exempt status. The cost of compliance with these regulations is significant.

Payment Systems. USA Health derives most of its revenues from Medicare, Medicaid, Blue Cross and other third party payor programs. Such programs may provide payment for services rendered to their beneficiaries in an amount that is less than actual patient charges. These payment systems are complex, subject to periodic change, and require a high degree of accuracy in the billing and collecting process. Failure to submit accurate billing may result in large financial penalties or claims or disqualification from the programs. Penalties or claims may be from governmental authorities, such as the Justice Department and the Office of Inspector General, independent auditing firms under contract with the government, or from private litigants under so-called "qui tam actions."

Alternate Payment Systems. The payment systems for health care services may be expanded to cover capitation or other coverage programs in which the providers assume the risk of health care services for a defined population. The University currently does not provide coverage on a capitated basis; however, the development of such coverage programs in the University's market could force the University to assume increased risk for the amount and cost of services it provides.

Health Care Reform. In 2010, Congress adopted extensive health reform legislation commonly referred to as the Affordable Care Act (the "ACA"). This legislation attempts to extend commercial insurance coverage and Medicaid coverage to many patients not previously covered. The State of Alabama declined the ACA option to expand the Medicaid coverage, which reduces the amount of reimbursement that might otherwise be available to the health care facilities operated by the University. This legislation also imposes numerous operating and reporting requirements on health care providers. Implementation of the various ACA initiatives will take several years and will require extensive time and expense. Implementation has been and continues to be uncertain. It is expected that governments will continue to consider various reform proposals in the health care industry. If adopted, such proposals may subject health care providers like the University to increased compliance requirements, reduced reimbursement for services, increased costs, or a combination of such results.

Trend Toward Large-Deductible Insurance Policies. Coverage provided by insurance is trending toward large deductibles or self-insurance retention for patients, which reduces the required premiums but increases out-of-pocket expense for the insured. These large deductible policies can be expected to increase the challenge of collecting for services rendered and may result in an increase of bad debt expense for health care providers.

Budgetary Pressure for Medicare and Medicaid Funding. Medicare and Medicaid are government-sponsored programs. Funding for those programs is subject to the legislative process of federal and state governments. The spending policies or deficit reduction initiatives of those governments have resulted in significant reductions in reimbursement for health care services in the past and can be expected to apply pressure on reimbursement for the foreseeable future.

Competition from Other Providers. The health care industry is highly competitive. Other health care providers may develop competing facilities or services in the University's service area. Competing facilities or services may include, among others, new hospitals, specialty hospitals, outpatient facilities, and managed care or insurance products. Other forms of competition could also affect the University's ability to maintain or improve its market share, including increasing competition (1) between physicians who generally use hospitals and non-physician practitioners such as nurse practitioners, chiropractors, physical and occupational therapists and others who may not generally use hospitals, and (2) from nursing homes, home health agencies, ambulatory care facilities, surgical centers, outpatient radiology centers, rehabilitation and therapy centers, physician group practices and other non-hospital providers of many services for which patients generally rely on hospitals currently.

Capital Investment and Technology. The technology for diagnosis and treatment of patients changes rapidly and requires large capital investment on an ongoing basis in order for a health system to meet the needs of its patients.

Other Factors Affecting the Health Care Industry. In addition to the factors discussed above, the following additional factors, among others, may adversely affect the operations of health care providers, including the University:

(a) Increased efforts by insurers, private employers and governmental agencies to limit the cost of hospital services, to reduce the number of hospital beds and to reduce utilization of hospital facilities by such means as preventive medicine, improved occupational health and safety and outpatient care.

(b) Termination of existing agreements between a provider and employed physicians who render services to the provider's patients or alteration of referral patterns by independent physicians and physician groups.

(c) The availability and cost of insurance or self-insurance to protect against malpractice and general liability claims.

(d) Environmental and hazardous waste disposal regulations.

(e) Future legislation and regulations affecting the tax-exempt status of governmental and 501(c)(3) hospitals or imposing additional requirements on qualification.

(f) The reduced need for hospitalization or other traditional health care services as a result of medical and other scientific advances.

(g) Imposition of wage and price controls for the health care industry.

(h) The availability of or cost of retaining nursing, technical or other health care personnel.

(i) The spread of any bacteria, virus or infectious disease that is resistant to existing drugs or medical treatment.

(j) Reduction in population, increased unemployment or other adverse economic conditions in the market.

Factors Affecting Academic Medical Centers

Academic medical center hospitals, like those operated by the University, are subject to certain negative credit factors that do not affect other not-for-profit hospitals. Among those factors are the following:

Special Revenue and Expense Challenges. The research and teaching divisions at academic medical centers often operate at break-even or deficit levels. Funding these missions sometimes requires organizational subsidies that can detrimentally affect the hospital's overall operating performance. Fundraising, endowment spending and excess cash generated from patient care can be used to support the non-clinical departments at an academic medical center, but these sources of funding may not be enough to offset the drag on operating funds.

Negative Reimbursement Pressure from Medicare and Medicaid. The federal government has proposed a reduction in graduate medical education funding from CMS as one way to address federal budget challenges. Although funding cuts would impact all teaching hospitals with medical residents, academic medical centers would be disproportionately impacted due to higher numbers of residents and greater indirect cost payments for high acuity services performed. In addition, securing federal funding for research has become increasingly competitive among research institutions, primarily due to federal budget constraints. Changes in federal funding patterns could adversely affect academic medical centers and their ability to make debt service payments.

Inordinately High Exposure to Medicaid Patients. Many academic medical centers provide a disproportionate amount of charity care in their communities, which results in high exposure to Medicaid patients and receipt of Disproportionate Share Funding ("DSH"). Medicaid reimbursement cuts in recent years have disproportionately impacted academic medical centers. Additionally, reductions in DSH payments were mandated by the ACA beginning in 2016.

Increased Financial Support for Sponsoring University. Academic medical centers are increasingly facing requests for financial transfers to their associated universities to support strategic investments, program development and educational activities. These financial transfers are typically negotiated between the university and the hospital on an annual basis, and immediate needs at the university level could lead to a growing financial subsidy. These payments could adversely affect the academic medical center's operating performance.

State Proration

The State of Alabama appropriates money each year to the University for operating costs and non-operating cash requirements, including capital expenditures. Because the State is mandated by its constitution to operate with a balanced budget, the State occasionally has reduced its appropriations, through a process known as "proration", when its annual revenues are not expected to meet budgeted appropriations. The last fiscal year in which State appropriations were "prorated" was fiscal year 2011. It is possible that proration may be implemented from time to time in the future and, when proration does occur, the University may be required to implement various cost-saving measures in order to balance its own budget. Although proration may impact the University's budget, the Series 2021 Bonds are not payable from State appropriations.

Certain Factors Affecting Pledged Revenues

No representation can be made and no assurance can be given that receipts from the Pledged Revenues will be sufficient to make the required payment of debt service on the Series 2021 Bonds and to pay necessary operating expenses. The amount of Pledged Revenues collected by the University will be subject to a variety of factors that could adversely affect debt service coverage on the Series 2021 Bonds, including general economic conditions, population in the University's basic service area, the demand for higher education, and the impact of legislative and administrative requirements on the University's operations.

Tax-Exempt Status of Series 2021 Bonds

It is expected that the Series 2021 Bonds will qualify as tax-exempt obligations for federal income tax purposes as of the date of issuance. *See* "TAX MATTERS – General.". It is anticipated that Bond Counsel to the University will render an opinion substantially in the form attached hereto as Appendix B, which should be read in its entirety for a complete understanding of the scope of the opinions and the conclusions expressed therein. A legal opinion expresses the professional judgment of the attorney rendering the opinion as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

The tax status of the Series 2021 Bonds could be affected by post-issuance events. There are various requirements of the Internal Revenue Code that must be observed or satisfied after the issuance of the Series 2021 Bonds in order for the Series 2021 Bonds to qualify for, and retain, tax-exempt status. These requirements include appropriate use of the proceeds of the Series 2021 Bonds, use of the facilities financed by the Series 2021 Bonds, investment of bond proceeds, and the rebate of so-called excess arbitrage earnings. Compliance with these requirements is the responsibility of the University.

The Internal Revenue Service (the "IRS") conducts an audit program to examine compliance with the requirements regarding tax-exempt status. Under current IRS procedures, in the initial stages of an audit with respect to the Series 2021 Bonds, the University would be treated as the taxpayer, and the owners of the Series 2021 Bonds may have limited rights to participate in the audit process. The initiation of an audit with respect to the Series 2021 Bonds could adversely affect the market value and liquidity of the Series 2021 Bonds, even though no final determination about the tax-exempt status has been made. If an audit results in a final determination that the Series 2021 Bonds do not qualify as tax-exempt obligations, such a determination could be retroactive in effect to the date of issuance of the Series 2021 Bonds.

In addition to post-issuance compliance, a change in law after the date of issuance of the Series 2021 Bonds could affect the tax-exempt status of the Series 2021 Bonds or the effect of investing in the Series 2021 Bonds. For example, the federal government is considering various proposals to reduce federal budget deficits and the amount of federal debt, including proposals that would eliminate or reduce indirect expenditures made through various deductions and exemptions currently allowed by the income tax laws. The exemption for interest on tax-exempt bonds is one of the indirect expenditures that could be affected by a deficit reduction initiative. Some deficit-reduction proposals would eliminate the exemption for interest on tax-exempt bonds. Other proposals would place an aggregate cap on the total amount of exemptions and deductions that may be claimed by a taxpayer, or a cap on the exemption for interest on tax-exempt bonds. Changes in the rate of the federal income tax, including so-called "flat tax" proposals, could also reduce the value of the exemption. Changes affecting the exemption for interest on tax-exempt bonds, if enacted, could apply to tax-exempt bonds already outstanding, including the Series 2021 Bonds offered pursuant to this Official Statement, as well as bonds issued after the effective date of such legislation. It is not possible to predict whether Congress will adopt legislation affecting the exemption for tax-exempt bonds, what the provisions of such legislation may be, whether any such legislation will be retroactive in effect, or what effect any such legislation may have on investors in the Series 2021 Bonds. Investors should consult their own tax advisers about the prospects and possible effect of future legislation that could affect the exemption for interest on tax-exempt bonds.

The Indenture does not provide for mandatory redemption of the Series 2021 Bonds or payment of any additional interest or penalty if a determination is made that the Series 2021 Bonds do not comply with the existing requirements of the Code, if a subsequent change in law adversely affects the tax-exempt status of the Series 2021 Bonds or the economic benefit of investing in the Series 2021 Bonds, or if any other event or occurrence takes place that impacts the tax status of the Series 2021 Bonds.

The United States Bankruptcy Code

Chapter 9 of Title 11 of the United States Code, 11 U.S.C. 101, *et seq.* (the "Bankruptcy Code") permits a political subdivision, public agency or instrumentality of a State to file a petition for relief in federal bankruptcy courts if the subdivision, agency or instrumentality is insolvent within the meaning of Chapter 9 and is authorized under applicable state law to seek such relief. The University, as an instrumentality of the State of Alabama, meets the initial eligibility requirement for a debtor under Chapter 9 of the United States Bankruptcy Code, as set forth at 11 U.S.C. §109(c)(1), because it is a "municipality" as defined at 11 U.S.C. §101(40), but the University is not expressly authorized by Article XIV, Section 266 of the Alabama Constitution of 1901 or by §16-48-1 *et seq.* of the Code of Alabama 1975, as amended, to initiate a Chapter 9 proceeding. Therefore, absent enactment of legislation by the Alabama Legislature that specifically authorizes a filing by the University, or by all instrumentalities of the State of Alabama, the University does not appear to be eligible to be a "debtor" under Chapter 9 of the United States Bankruptcy Code.

Nonetheless, Chapter 9 has been rarely used, and there is little precedent concerning its interpretation or the interpretation of related state laws, so there can be no definitive assurance that the University would be prevented from filing a petition for relief under Chapter 9, and if it did so, what relief would be provided. For example, Chapter 9 of the Bankruptcy Code provides certain protections to creditors whose debts are secured by pledged special revenues; however, because of the limited precedent available with respect to Chapter 9, it is possible that a federal bankruptcy court could reject or circumscribe certain of these provisions under the facts of a specific case.

It should be noted that Section 922(d) of Chapter 9 of the Bankruptcy Code provides that a bankruptcy petition does not operate as a stay of "application of pledged special revenues" to the payment of indebtedness secured by such revenues in a manner consistent with other provisions of the Bankruptcy Code. Without limitation, section 928 of the Bankruptcy Code provides that special revenues acquired by the debtor after commencement of a Chapter 9 case remain subject to any lien resulting from any security agreement entered into by the debtor before commencement of the case, but further provides that any such lien on special revenues (other than municipal betterment assessments) derived from a project or system shall be subject to "the necessary operating expenses of such project or system." It is not clear whether the pledge of Pledged Revenues made by the University for the benefit of the Series 2021 Bonds would constitute "special revenues" as that term is defined in section 902(2) of the Bankruptcy Code. Moreover, the phrase "application of pledged special revenues" has given rise to arguments that the provisions of section 922(d) apply only to funds in possession and control of the debtholders, or their trustee. Therefore, it is uncertain whether or not the filing of a Chapter 9 petition (if the University had such power under Alabama law) would affect application of Pledged Revenues for the payment of principal and interest on the Series 2021 Bonds. Similarly, it is uncertain whether section 928 of the Bankruptcy Code would control the claims of holders of the Series 2021 Bonds with respect to the Pledged Revenues.

As a "municipality" within the meaning of the Bankruptcy Code, the University's eligibility to be a debtor is governed solely by 11 U.S.C. §109(c). A "municipality" within the meaning of Chapter 9 of the Bankruptcy Code cannot seek relief as a "debtor" under other chapters of the Bankruptcy Code, including without limitation Chapters 7 and 11.

The approving legal opinion of Bond Counsel to the University will contain the customary reservation that the rights of the holders of the Series 2021 Bonds and the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, sovereign immunity, moratorium and other similar laws affecting creditors' rights and the exercise of judicial discretion in appropriate cases. *See* the proposed form of approving legal opinion set forth in Appendix B – "Proposed Form of Approval Opinion of Bond Counsel to the University."

FINANCIAL ADVISOR

PFM Financial Advisors LLC ("PFM") is employed by the University to perform professional services in the capacity of financial advisor. In its role as financial advisor to the University, PFM has provided advice on the plan of financing and structure of the Series 2021 Bonds, and reviewed certain legal and disclosure documents, including this Official Statement, for financial matters. PFM has not independently verified the factual information contained in this Official Statement, but relied on the information supplied by the University and other sources and the University's certification as to the Official Statement.

UNDERWRITING

The Series 2021 Bonds are being purchased for reoffering by Raymond James & Associates, Inc., Hancock Whitney Investment Services, Securities Capital Corporation and The Frazer Lanier Company Incorporated (collectively, the "Underwriters") at an aggregate purchase price of $50,372,096.70 (representing the initial par amount of the Series 2021 Bonds, less an underwriting discount of $162,943.75, plus original issue premium of $9,980,040.45). The public offering price of the Series 2021 Bonds as set forth on the inside of the cover page of this Official Statement may be changed from time to time by the Underwriters, and the Underwriters may allow a concession from the public offering price to certain dealers.

MISCELLANEOUS

The references herein to statutory provisions, the Indenture and other documents and instruments are summaries of certain provisions thereof and do not purport to be complete. For full and complete statements of such provisions reference is hereby made to the specific statutory provision, document or instrument to which such summary relates.

So far as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of the statements will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the owners of the Series 2021 Bonds.

The information contained in this Official Statement has been compiled or prepared from information obtained from sources believed to be reliable; however, the University makes no representation as to the accuracy or completeness of such information. The information and the expressions of opinion herein are subject to change without notice. Accordingly, neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that, since the date hereof, there has been no change in the affairs of the University or any other governmental agencies or entities discussed herein.

The distribution of this Official Statement and its use in the offering and sale of the Series 2021 Bonds have been approved by the governing body of the University.

UNIVERSITY OF SOUTH ALABAMA

/s/ G. Scott Weldon
Vice President for Finance and Administration

APPENDIX A

AUDITED FINANCIAL STATEMENT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2020

APPENDIX B

PROPOSED FORM OF APPROVAL OPINION OF BOND COUNSEL TO THE UNIVERSITY

Proposed Form of Approval Opinion of Bond Counsel

March 10, 2021

Board of Trustees of the
University of South Alabama
Mobile, Alabama

Ladies and Gentlemen:

We have examined the Constitution and laws of the State of Alabama and certified copies of proceedings of the Board of Trustees of the University of South Alabama (herein called the "University") and other documents submitted to us pertaining to the authorization, issuance and validity of:

$40,555,000
University of South Alabama
University Facilities Revenue Bonds
Series 2021

The statements hereinafter made and the opinions hereinafter expressed are based upon our examination of said constitution, laws, proceedings, and documents, which show as follows:

(1) that the above-referenced Series 2021 Bonds (the "Series 2021 Bonds") have been issued under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended and as further supplemented by an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Series 2021 Bonds between the University and The Bank of New York Mellon Trust Company, N.A., as successor trustee (said Indenture, as so supplemented and amended, herein called the "Indenture"), wherein there has been pledged for payment of all bonds issued thereunder so much as may be necessary therefor of (a) the proceeds of the general tuition fees levied against all students attending the University, (b) the gross revenues derived from auxiliary enterprises services furnished by the University, including, without limitation, 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 & Women’s Hospital (collectively herein called the "Pledged Revenues"); and

(2) that the University is authorized under the Indenture to issue, without express limit as to principal amount but only upon compliance with certain conditions precedent specified in the Indenture, Additional Bonds (as such term is defined in the Indenture) secured by a pledge of the Pledged Revenues on a parity with all other bonds issued under the Indenture and at any time outstanding.

We are of the following opinion: that the University is a public body corporate under the laws of the State of Alabama and has corporate power to issue the Series 2021 Bonds and to execute and deliver the Indenture; that the Series 2021 Bonds have been duly authorized, executed and issued in the manner provided by the applicable provisions of the Constitution and laws of the State of Alabama, are in due and legal form and evidence valid and binding limited and special obligations of the University payable, as to principal and interest, solely out of the Pledged Revenues; that the payment of the principal of and the interest on the Series 2021 Bonds is secured on a parity with all Bonds (as such term is defined in the Indenture) previously issued under the Indenture and with any other Additional Bonds hereafter issued under the Indenture by a pledge of the Pledged Revenues pro rata and without preference or priority of the Bonds of one series over those of another; that the said pledge is valid, subject to all lawful prior charges on the Pledged Revenues; and that the Indenture has been duly authorized, executed and delivered on behalf of the University.

We are of the opinion that the interest on the Series 2021 Bonds is, under existing statutes and regulations as presently construed, exempt from Alabama income taxation.

We are further of the opinion that under the Internal Revenue Code of 1986, as amended (herein called the "Code"), as presently construed and administered, and assuming compliance by the University with its covenants pertaining to certain requirements of federal tax law that are set forth in the Indenture and the proceedings authorizing the issuance of the Series 2021 Bonds, the interest on the Series 2021 Bonds will be excludable from gross income of the recipient thereof for federal income tax purposes pursuant to the provisions of Section 103(a) of the Code and will not be an item of tax preference included in alternative minimum taxable income for the purpose of computing the minimum tax imposed by Section 55 of the Code. We express no opinion regarding tax consequences arising with respect to the Series 2021 Bonds other than as expressly set forth herein.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement of the University relating to the Series 2021 Bonds. We express no opinion with respect to the federal tax consequences to the recipient of the interest on the Series 2021 Bonds under any provision of the Code not referred to above.

The rights of the holders of the Series 2021 Bonds and the enforceability of the Series 2021 Bonds and the Indenture are subject to all applicable bankruptcy, insolvency, reorganization, sovereign immunity, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and the exercise of judicial discretion in appropriate cases.

Neither the principal of nor the interest on the Series 2021 Bonds nor the aforesaid pledge or any other agreements contained in the Indenture constitute an obligation of any nature whatsoever of the State of Alabama, and neither the Series 2021 Bonds nor any obligation arising from said pledge or other agreements are payable out of any moneys appropriated to the University by the State of Alabama. The Indenture does not constitute a mortgage on any of the property of the University, and no foreclosure or sale proceedings with respect to any property of the University shall ever be had under its authority.

This opinion is given as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX C

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

The University of South Alabama, a public body corporate under the laws of the State of Alabama (the "University"), has entered into this Agreement for the benefit of the holders of its University Facilities Revenue Bonds, Series 2021, in the aggregate principal amount of $40,555,000 (the "Bonds"). The University is the Obligated Person with respect to the Bonds.

Recitals

A. The Bonds are being issued pursuant to a University Facilities Revenue Trust Indenture dated as of February 15, 1996 (the said Indenture, as heretofore supplemented and amended and as further supplemented and amended by an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Bonds (the "Indenture"), between the University and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

B. An Official Statement dated February 25, 2021 (the "Official Statement") has been prepared for distribution to prospective purchasers of the Bonds.

C. The Bonds are subject to the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), as amended. This Agreement is being entered into pursuant to the continuing disclosure requirements of the Rule.

D. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with definitions in the Rule, in the Official Statement.

E. There is no Obligated Person with respect to the Bonds other than the University.

NOW, THEREFORE, for and in consideration of the premises, the University hereby covenants, agrees and binds itself as follows:

1. Financial Statements; Annual Report.

(a) The University will provide to the Municipal Securities Rulemaking Board (the "MSRB") the audited financial statements of the University, prepared in accordance with generally accepted accounting principles as applicable to the University, not later than 210 days after the close of each fiscal year of the University, beginning with the fiscal year ending September 30, 2021.

(b) The University will provide, not later than 210 days after the end of each fiscal year of the University, commencing with the fiscal year ending September 30, 2021, to the MSRB the following financial and operating data, unless such information is included in the filed audited financial statements (the "Annual Report"):

(1) the revenues from the general tuition fees the proceeds of which are pledged for payment of the Bonds;

(2) the revenues from the auxiliary enterprises fees the proceeds of which are pledged for payment of the Bonds;

(3) the schedule of undergraduate and graduate fees and College of Medicine fees;

(4) the number of students, by geographic classification, attending the fall term commencing within the fiscal year covered by the University Annual Report;

(5) the total State appropriations authorized and received.

(c) If the University's fiscal year is changed subsequent to the execution of this Agreement, the University shall provide timely notice of the change to the MSRB stating that its fiscal year has changed and specifying the new period constituting the University's fiscal year.

2. Event Notices. The University agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, as required by the Rule, to the MSRB, notice of the occurrence of any of the following events (each a "Listed Event") with respect to the Bonds:

1. principal and interest payment delinquencies.

2. non-payment related defaults, if material.

3. unscheduled draws on debt service reserves reflecting financial difficulties.

4. unscheduled draws on credit enhancements reflecting financial difficulties.

5. substitution of credit or liquidity providers, or their failure to perform.

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. modifications of the rights of holders of the Bonds, if material.

8. bond calls, if material, and tender offers.

9. defeasances.

10. release, substitution or sale of property securing repayment of the Bonds, if material.

11. rating changes.

12. bankruptcy, insolvency, receivership, or similar event of the obligated person.

13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. incurrence of a Financial Obligation of an Obligor, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of an Obligor, any of which affect security holders, if material.

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of an Obligor, any of which reflect financial difficulties.

As used herein, "Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule.

3. Additional Information. Nothing in this Agreement shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the University chooses to disseminate information in addition to that required herein, whether by including such information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement or otherwise, the University shall have no obligation under this Agreement to update or continue to provide such information or include it in any future notice of occurrence of a Listed Event.

4. Form and Method of Filing. All filings to be provided hereunder to the MSRB shall be made by posting such information in electronic format on the MSRB's Electronic Municipal Market Access ("EMMA") system at http://emma.msrb.org accompanied by identifying information as prescribed by the MSRB. All such filings shall be made in conformity with the procedures and requirements established by the MSRB in effect at the time of such filing.

5. Beneficiaries; Limitation of Remedies Hereunder. This Agreement is for the benefit of the holders of the Bonds and shall be enforceable by such holders, subject to the limitations herein. The University shall never be subject to money damages in any sum or amount, whether compensatory, punitive or otherwise, for its failure to comply with its obligations contained herein. The only remedy available to the holders of the Bonds for breach by the University of its obligations hereunder shall be the remedy of specific performance or mandamus against the appropriate officials of the University to obtain performance of the University's obligations hereunder. No failure by the University to comply with the provisions of this Agreement shall be an event of default with respect to the Bonds under the Indenture.

6. Responsibility for Compliance.

(a) No person other than the University shall have any liability or responsibility for compliance by the University with its obligations under this Agreement. The Trustee has undertaken no responsibility with respect to any reports, notices or disclosures required by this Agreement or the Rule.

(b) The University will pay all costs incurred in connection with the performance of its obligations under this Agreement, including without limitation the fees and expenses of any dissemination agent, consultants, advisers, accountants, legal counsel or other persons that may be retained by the University to assist in the performance of the University's obligations.

7. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the University may amend this Agreement and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not cause the undertakings herein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule.

8. Termination. The University reserves the right to terminate its obligation to provide an Annual Report, audited financial statements and notices of material events, as set forth above, if and when the University no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

9. Contract Formed. This Agreement shall constitute a contract between the University and the holders from time to time and at any time of the Bonds, but no other person, firm or corporation shall have any rights hereunder.

[Balance of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been duly authorized by the University and has been executed by and on behalf of the University by its duly authorized officer, all as of the 10th day of March, 2021.

UNIVERSITY OF SOUTH ALABAMA

By:____

Its: ____

APPENDIX D

DTC PROCEDURES

DTC Book-Entry Only System

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2021 Bonds (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such maturity, and will be deposited with DTC.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 7A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the University as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from University or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Trustee, or University, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of University or Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to University or Trustee. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

THE UNIVERSITY, THE UNDERWRITERS AND THE TRUSTEE CANNOT AND DO NOT GIVE ANY ASSURANCES THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2021 BONDS (1) PAYMENTS OF PRINCIPAL OF OR INTEREST AND PREMIUM, IF ANY, ON THE SERIES 2021 BONDS, (2) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2021 BONDS, OR (3) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNERS OF THE SERIES 2021 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SECURITIES AND EXCHANGE COMMISSION AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

NEITHER THE UNIVERSITY, THE UNDERWRITERS NOR THE TRUSTEE WILL HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (1) THE SERIES 2021 BONDS; (2) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (3) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF OR INTEREST OR PREMIUM, IF ANY, ON THE SERIES 2021 BONDS; (4) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE BOND INDENTURE TO BE GIVEN TO BONDHOLDERS; (5) THE SELECTION OF THE BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES 2021 BONDS; OR (6) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS BONDHOLDER.

APPENDIX E
SPECIMEN MUNICIPAL BOND INSURANCE POLICY

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

MEMBER: [NAME OF MEMBER]

BONDS: $__________ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Policy No: _____

Effective Date: _________

Risk Premium: $_________
Member Surplus Contribution: $_________
Total Insurance Payment: $_________

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ______________________________

Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281
Telecopy:
212-962-1524 (attention: Claims)

EXHIBIT V

FORM OF CONTINUING DISCLOSURE AGREEMENT

CONTINUING DISCLOSURE AGREEMENT

The University of South Alabama, a public body corporate under the laws of the State of Alabama (the "University"), has entered into this Agreement for the benefit of the holders of its University Facilities Revenue Bonds, Series 2021, in the aggregate principal amount of $40,555,000 (the "Bonds"). The University is the Obligated Person with respect to the Bonds.

Recitals

A. The Bonds are being issued pursuant to a University Facilities Revenue Trust Indenture dated as of February 15, 1996 (the said Indenture, as heretofore supplemented and amended and as further supplemented and amended by an Eighteenth Supplemental University Facilities Revenue Trust Indenture dated the date of the Bonds (the "Indenture"), between the University and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee").

B. An Official Statement dated February 25, 2021 (the "Official Statement") has been prepared for distribution to prospective purchasers of the Bonds.

C. The Bonds are subject to the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), as amended. This Agreement is being entered into pursuant to the continuing disclosure requirements of the Rule.

D. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned in the Rule or, to the extent not in conflict with definitions in the Rule, in the Official Statement.

E. There is no Obligated Person with respect to the Bonds other than the University.

NOW, THEREFORE, for and in consideration of the premises, the University hereby covenants, agrees and binds itself as follows:

1. Financial Statements; Annual Report.

(a) The University will provide to the Municipal Securities Rulemaking Board (the "MSRB") the audited financial statements of the University, prepared in accordance with generally accepted accounting principles as applicable to the University, not later than 210 days after the close of each fiscal year of the University, beginning with the fiscal year ending September 30, 2021.

(b) The University will provide, not later than 210 days after the end of each fiscal year of the University, commencing with the fiscal year ending September 30, 2021, to the MSRB the following financial and operating data, unless such information is included in the filed audited financial statements (the "Annual Report"):

(1) the revenues from the general tuition fees the proceeds of which are pledged for payment of the Bonds;

(2) the revenues from the auxiliary enterprises fees the proceeds of which are pledged for payment of the Bonds;

(3) the schedule of undergraduate and graduate fees and Medical College fees;

(4) the number of students, by geographic classification, attending the fall term commencing within the fiscal year covered by the University Annual Report;

(5) the total State appropriations authorized and received.

(c) If the University's fiscal year is changed subsequent to the execution of this Agreement, the University shall provide timely notice of the change to the MSRB stating that its fiscal year has changed and specifying the new period constituting the University's fiscal year.

2. Event Notices.

The University agrees to provide or cause to be provided, in a timely manner not in excess of ten (10) business days after the occurrence of the event, as required by the Rule, to the MSRB, notice of the occurrence of any of the following events (each a "Listed Event") with respect to the Bonds:

1. principal and interest payment delinquencies.

2. non-payment related defaults, if material.

3. unscheduled draws on debt service reserves reflecting financial difficulties.

4. unscheduled draws on credit enhancements reflecting financial difficulties.

5. substitution of credit or liquidity providers, or their failure to perform.

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

7. modifications of the rights of holders of the Bonds, if material.

8. bond calls, if material, and tender offers.

9. defeasances.

10. release, substitution or sale of property securing repayment of the Bonds, if material.

11. rating changes.

12. bankruptcy, insolvency, receivership, or similar event of the obligated person.

13. the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive

agreement to undertake such an action, or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

14. appointment of a successor or additional trustee or the change of name of a trustee, if material.

15. incurrence of a Financial Obligation of the University, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the University, any of which affect security holders, if material.

16. default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the University, any of which reflect financial difficulties.

As used herein, "Financial Obligation" shall mean a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of (a) or (b). The term financial obligation does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB under the Rule

3. Additional Information.

Nothing in this Agreement shall be deemed to prevent the University from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the University chooses to disseminate information in addition to that required herein, whether by including such information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement or otherwise, the University shall have no obligation under this Agreement to update or continue to provide such information or include it in any future notice of occurrence of a Listed Event.

4. Form and Method of Filing.

All filings to be provided hereunder to the MSRB shall be made by posting such information in electronic format on the MSRB's Electronic Municipal Market Access ("EMMA") system at http://emma.msrb.org accompanied by identifying information as prescribed by the MSRB. All such filings shall be made in conformity with the procedures and requirements established by the MSRB in effect at the time of such filing.

5. Beneficiaries; Limitation of Remedies Hereunder.

This Agreement is for the benefit of the holders of the Bonds and shall be enforceable by such holders, subject to the limitations herein. The University shall never be subject to money damages in any sum or amount, whether compensatory, punitive or otherwise, for its failure to comply with its obligations contained herein. The only remedy available to the holders of the Bonds for breach by the University of its obligations hereunder shall be the remedy of specific performance or mandamus against the appropriate officials of the University to obtain performance of the University's obligations hereunder. No failure by the University to comply with the provisions of this Agreement shall be an event of default with respect to the Bonds under the Indenture.

6. Responsibility for Compliance.

(a) No person other than the University shall have any liability or responsibility for compliance by the University with its obligations under this Agreement. The Trustee has undertaken no responsibility with respect to any reports, notices or disclosures required by this Agreement or the Rule.

(b) The University will pay all costs incurred in connection with the performance of its obligations under this Agreement, including without limitation the fees and expenses of any dissemination agent, consultants, advisers, accountants, legal counsel or other persons that may be retained by the University to assist in the performance of the University's obligations.

7. Amendment; Waiver.

Notwithstanding any other provision of this Agreement, the University may amend this Agreement and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not cause the undertakings herein to violate the Rule taking into account any subsequent change in or official interpretation of the Rule.

8. Termination.

The University reserves the right to terminate its obligation to provide an Annual Report, audited financial statements and notices of material events, as set forth above, if and when the University no longer remains an obligated person with respect to the Bonds within the meaning of the Rule.

9. Contract Formed.

This Agreement shall constitute a contract between the University and the holders from time to time and at any time of the Bonds, but no other person, firm or corporation shall have any rights hereunder.

IN WITNESS WHEREOF, this Agreement has been duly authorized by the University and has been executed by and on behalf of the University by its duly authorized officer, all as of the 10th day of March, 2021.

UNIVERSITY OF SOUTH ALABAMA

By:____

Its: ____

UNIVERSITY OF SOUTH ALABAMA
2021 PRESIDENTIAL SEARCH COMMITTEE

MEMBERSHIP	COMMITTEE TITLE	CLASSIFICATION
Jimmy Shumock	Ex-Officio	Board Chair *pro tempore*
Alexis Atkins	Chairman	Trustee
Lenus Perkins	Vice Chairman	Trustee
Chandra Brown Stewart	Secretary	Trustee
Jim Yance		Trustee
Dr. John Cleary		Faculty Senate President
Dr. Mike Chang		Faculty, Health Sciences
Dr. Alvin Williams		Faculty
Dr. Todd McDonald		Faculty
Sam Dean		Hospital Administrator
Dr. Andi Kent		Academic Administrator
Owen Bailey		Administrator
Zeke Aull		Administrator
Kim Lawkis		Alumni
Tia Nickens		SGA President
Cameron Grier-Shepperd		Undergraduate Student
Madeleine Boudreaux		Graduate Student
Robbie Baker		Community
Dr. Charles Guest	Support Staff	
Kristin Dukes	Compliance	

UNIVERSITY OF SOUTH ALABAMA
PRESIDENTIAL SEARCH GUIDELINES

(*First Adopted August 2000; Amended August 2001; Amended March 2014; Amended March 2021)*

I. LEADERSHIP STATEMENT

UNIVERSITY'S MISSION AND GOALS

The Mission and Goals of the University of South Alabama are set forth in official university documents, including the current Undergraduate and Graduate Bulletin, and are incorporated by reference herein.

PRESIDENTIAL EXPECTATIONS

This section will be reviewed, revised, and updated by the Presidential Search Committee. The intent of this section is to highlight expected qualifications for prospective candidates and the University's constituents. It will be the duty of the Search Committee to identify candidates who best demonstrate these qualifications and present them to the Board of Trustees for consideration.

PREFERRED CREDENTIALS

- Demonstrated ability to lead a large, complex educational institution.
- Proven ability to set a clear, positive agenda for the organization and to achieve excellent results.
- An earned doctorate in an appropriate discipline. In lieu of an earned doctorate, must possess outstanding training and exemplary record of success in the administration of a large educational organization.
- Proven ability to comprehend and deal with the distinct needs and interests of a complex, comprehensive institution that includes undergraduate and graduate programs, as well as a medical college and hospitals.

CHARACTER

- Demonstrates integrity in all situations; takes clear and consistent positions on important issues; and demonstrates intellectual honesty.

- Possesses self-discipline and a high-energy level focused toward the University's goals.

- Exemplifies the role of a Servant Leader and believes that those served should grow as persons by becoming healthier, wiser, freer, and more autonomous, thereby more likely themselves to become servants.

- Demonstrates respect for others; recognizes the strengths and contributions of university faculty, staff, students, alumni, and supporters, and demonstrates a consistent and sincere concern for them and their feelings; and practices a high degree of objectivity and fairness in all situations.

- Demonstrates a commitment to enhancing racial, gender, and ethnic diversity and equal opportunities throughout the institution.

LEADERSHIP BEHAVIOR

- Articulates a clear vision and leads the organization toward it.

- Demonstrates passion, conviction, and commitment to making a positive difference.

- Clearly communicates performance expectations.

- Holds people accountable for their professional commitments.

- Is willing to share power and influence to benefit the organization.

- Is willing to gather constituent input without compromising timely decision-making.

- Has effective interpersonal skills for coaching and managing, and is capable of gently but relentlessly enforcing the organization's standards of performance.

- Recognizes a need for a strong executive leadership team to assist with organizational success.

COMMUNICATION

- Excellent ability to communicate, both verbally and in writing.
- Committed to open and timely communication throughout the organization.
- Is an effective listener, gives feedback, asks questions, and summarizes.
- Encourages the free exchange of ideas and opinions in a collegial manner regardless of job level, age, gender, race, or economic status.
- Asks students, staff, faculty, alumni, and others for input and makes time available for them.
- Works to establish and enrich communication opportunities with key constituents.
- Can effectively articulate the many needs of the University to governmental and resource-providing bodies.

FINANCIAL MANAGEMENT

- Has significant experience in planning and managing large budgets and a comprehensive understanding of all financial operations and issues in a large, complex public institution.

RESOURCE DEVELOPMENT

- Demonstrates substantial prior experience and success with fundraising and resources acquisition.
- Fully understands the University's vision, mission, and development plan.
- Is motivated and willing to devote a high degree of personal involvement and commitment to leading and directing resources efforts.
- Possesses ability to work effectively with government funding entities at all levels to secure an equitable share of resources for the institution.

II. SEARCH PROCESS

At such time as there is a vacancy in the presidency of the University, a nationally recognized search firm will be engaged to work in concert with the appointed Search Committee, utilizing appropriate national standards and procedures, to provide a slate of candidates. The search consultant will be responsible for conducting background investigations and securing additional information on all candidates, and shall maintain the confidentiality of the files of all candidates. Within six months from the date the list of finalists is submitted, the Board will select the new president.

Any provision of these Guidelines inconsistent with the foregoing hereby is deemed amended to conform herewith.

BOARD OF TRUSTEES ACTIONS

The following procedures are for the Board's consideration at the outset of the search process:

- Discuss issues of confidentiality and openness in the search process.
- Resolve how to handle potential candidacy of any interim or acting president.
- Decide when the next president should assume office.
- Set a preliminary budget for the search.
- Set the range of compensation for the next president.
- Review and modify, as necessary, policies on presidential performance reviews and contracts.
- Consider the role of the outgoing president.
- Identify the tasks the Search Committee must perform and approve a written charge to identify and recommend to the Board an appropriate pool of qualified finalists.
- Review the Board's role in the course of the search.

- Appoint a Search Committee representing the institution's major constituencies, including the Board of Trustees, faculty, staff, students, alumni, and the community. Care shall be taken to appoint a Search Committee that, in its totality, gives due weight to the gender, racial, and ethnic diversity of the student body and the community.

SEARCH COMMITTEE COMPOSITION

- Four (4) Trustees appointed by the Chair *pro tempore*- one to be designated by the Chair as chair of the Search Committee, one as vice chair, one as secretary and one as a member of the committee.

- Four (4) facu1ty members - the President of the Faculty Senate and three (3) full-time, tenured faculty members appointed by the Chair *pro tempore* of the Board, at least one of whom represents the Division of Health Sciences.

- Three (3) students - the President of the Student Government Association (SGA), and one (1) undergraduate student and one (1) graduate student from the student body at large, both appointed by the Chair *pro tempore*.

- Four (4) University administrators- Three (3) non-academic administrators, including at least one (1) from the University Hospitals, and one (1) academic administrator at the rank of dean or higher, all appointed by the Chair *pro tempore* of the Board.

- One (1) member of the USA National Alumni Association Board of Directors, appointed by the Chair *pro tempore* of the Board.

- The Chair p*ro tempore* of the Board of Trustees, or the Vice Chair in the absence of the Chair (or, in the absence of both, a Trustee appointed by the Chair) serves *ex officio* on the Search Committee with full voting rights.

- One (1) community representative from the region primarily served by the University of South Alabama, appointed by the Chair *pro tempore* of the Board.

    - The Chair *pro tempore* of the Board shall appoint a non-committee member to assist the secretary in carrying out his/her responsibilities and in the coordination of the search, and to serve as liaison with any professional search consultant engaged pursuant to these guidelines.

    - The President or Acting President shall not be involved in matters related to the Search Committee process.

- The Board shall use one or more search organizations to help generate a pool of candidates.

- The Board shall otherwise participate in the search process as it sees fit.

- Upon receipt of the Search Committee's list of finalists, the Board of Trustees will vote to accept or reject the slate of candidates for on-campus interviews and arrange for Board members' participation in interviews.

- The Board will coordinate and conduct finalist interviews by Board members.

- Upon completion of all interviews, the Board will evaluate the respective qualifications of the finalists and obtain input from appropriate constituent groups and individuals.

- Selection of the President shall be majority vote of the Board.

SEARCH COMMITTEE ACTIONS

- Review relevant passages in bylaws, codes, and state regulations.

- Set up a tentative schedule for the search process.

- Update Leadership Statement.

- Communicate timely news about the structure, timing, process, and progress of the search to the major constituents.

- Recommend a search firm to the Board of Trustees to increase the pool of candidates and assist with identifying those candidates who would otherwise not apply.

- Prepare an announcement/advertisement for the position to include:
    - Position
    - Minimal Credentials required
    - Website address directly to Leadership Statement
    - Closing date for applications
    - Equal Opportunity Employer – Minorities/Females/Veterans/Disabled statement.

- Advertise in appropriate and diverse national publications.

- After interviewing all of the semifinalists, the committee selects a candidate or candidates to recommend to the Board as finalist(s) to be invited for campus interviews. These selections should be by consensus if possible, but if not, then by any means determined appropriate by the chair of the committee.

- After forwarding its recommendations to the Board of Trustees, the Search Committee will continue to play an active role in the search process by helping to coordinate campus visits and interviews.

APPENDIX A
Search Committee Code of Ethics

Presidential Search Committee Members:

1. Accept their responsibility to protect the integrity of the institution, as well as the integrity of all prospective candidates, semi-final candidates, and finalists.

2. Acknowledge that only the Chair *pro tempore* of the Board of Trustees is authorized to speak to the news media on behalf of the Board, and only the chair of the Search Committee is authorized to speak to the news media on behalf of the Search Committee.

3. Certify that they are not candidates for the position.

4. Agree to disclose promptly to the committee any appearance of real or potential conflict of interest in a relationship with a prospect or candidate.

5. Acknowledge that information management is a crucial component of the search committee's work. This work includes information developed and received about prospects, candidates, and their employing institutions. Specifically, committee members will adhere to the following principles:

   - Respect the absolute confidentiality of all prospects and candidates by not revealing the identity of or any other information about prospects and candidates before or after the committee completes its work.

   - Be fair, accurate, honest, and responsible in managing information related to the search.

   - Guard against inaccuracies, carelessness, bias, and distortion made by either emphasis or omission of information.

   - Strive to treat issues impartially and handle controversial subjects dispassionately, understanding that prospects and candidates who have held executive positions and made difficult decisions have not been in positions to win popularity contests.

   - Give accurate and complete reports on candidates to the search committee chair.

6. Place the best interests of the institution ahead of all special and personal interests and use common sense and good judgment in applying ethical principles to search work.

7. Consider the letter and spirit of this statement to be a matter of personal responsibility.

Adapted from the Illustrative Code of Ethics model presented in Presidential Search Guidelines and Directory, a publication of the Association of Governing Boards.

COMMITTEE MINUTES

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Audit Committee

March 4, 2021
1:30 p.m.

A meeting of the Audit Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Ron Graham, Chair, on Thursday, March 4, 2021, at 1:32 p.m. in the Chief Calvin W. McGhee Grand Ballroom of the MacQueen Alumni Center. Public access was provided via YouTube livestream.

Members:	Alexis Atkins, Tom Corcoran, Ron Graham and Lenus Perkins were present and Ron Jenkins and Ken Simon participated remotely.
Other Trustees:	Chandra Brown Stewart, Steve Furr, Arlene Mitchell, Jimmy Shumock, Steve Stokes, Margie Tuckson, Mike Windom and Jim Yance.
Administration & Guests:	Owen Bailey, Lynne Chronister, Kristin Dukes, Joel Erdmann, Julie Estis, Monica Ezell, Paul Frazier, Mike Haskins, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Laura Schratt, John Smith, Margaret Sullivan, Tony Waldrop and Scott Weldon.

Following introductory remarks by Chairman Shumock, the meeting came to order and the attendance roll was called, **Item 1**. Mr. Graham called for consideration of **Item 2**, the minutes of the December 2, 2020, meeting of the Audit Committee. On motion by Ms. Atkins, seconded by Capt. Jenkins, the Committee voted unanimously to adopt the minutes.

Mr. Graham called on Ms. Schratt, who advised of new staff hired in the Office of Internal Audit. She gave background on Internal Auditor Ms. DeAndra Hudson and Sr. Internal Auditor Mr. Geoffrey Bunting.

Mr. Graham called on Mr. Weldon, who reported on the reengagement of KPMG for auditing services for fiscal years 2021 through 2023, **Item 3**. He stated KPMG's work for the University began in 2004 and advised that KPMG fees over the next three years would be commensurate with those charged the previous two years.

Mr. Weldon discussed **Item 4**, the KPMG report on intercollegiate athletics for the year ended September 30, 2020. He advised that the report, a requirement of the National Collegiate Athletic Association bylaws, was clean and did not contain findings or exceptions.

There being no further business, the meeting was adjourned at 1:37 p.m.

Respectfully submitted:

W. Ronald Graham

William Ronald Graham, Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Development, Endowment and Investments Committee

March 4, 2021
1:37 p.m.

A meeting of the Development, Endowment and Investments Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Jim Yance, Chair, on Thursday, March 4, 2021, at 1:37 p.m. in the Chief Calvin W. McGhee Grand Ballroom of the MacQueen Alumni Center. Public access was provided via YouTube livestream.

Members:	Chandra Brown Stewart, Steve Stokes, Mike Windom and Jim Yance were present and Scott Charlton, Arlene Mitchell and Margie Tuckson participated remotely.
Other Trustees:	Alexis Atkins, Tom Corcoran, Steve Furr, Ron Graham, Ron Jenkins, Lenus Perkins, Jimmy Shumock and Ken Simon.
Administration & Guests:	Terry Albano, Owen Bailey, Lynne Chronister, Kristin Dukes, Joel Erdmann, Julie Estis, Monica Ezell, Paul Frazier, Mike Haskins, Andi Kent, Matt Kinnear (Gerber/Taylor), Nick Lawkis, John Marymont, Mike Mitchell, Laura Schratt, John Smith, Margaret Sullivan, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called, **Item 5**. Mr. Yance called for consideration of the minutes of the meeting held on December 2, 2020, **Item 6**. On motion by Mr. Windom, seconded by Dr. Stokes, the Committee voted unanimously to adopt the minutes.

Mr. Yance called on Mr. Albano to present **Item 7**, a report on endowment and investment performance. Mr. Albano advised of an investment return of 9.72 percent for the first quarter of fiscal year 2021 ended December 31, 2020, versus the relative index performing at 9.15 percent, an outperformance by 57 basis points. He reviewed manager results and addressed asset allocation, noting an investment value of just under $190 million at the end of the quarter. He reported an annualized performance since inception of 5.85 percent versus the index performing at 4.77 percent, an outperformance by 1.08 percent. He said investment earnings and appreciation for the first quarter totaled approximately $116.5 million and noted earnings since inception had surpassed $100 million.

Mr. Albano introduced Mr. Matt Kinnear of the management firm of Gerber/Taylor. Mr. Kinnear provided background on Gerber/Taylor and discussed the University's investment portfolio.

Mr. Windom asked if investment results past December 2020 were available. Mr. Albano reported an 8.97 percent return at the end of January 2021, an outperformance by 52 basis points when compared to the relative index. He said the ability to provide more up-to-date information hinged on the availability of hedge fund and private equity statements.

Mr. Yance called for an update on the activities of the Division of Development and Alumni Relations, **Item 8**. Ms. Sullivan reported close to $8.3 million raised for fiscal year 2021 through February 26, and noted this amount included a transformative gift to USA Health. She advised of $90,000 raised for the Leadership in Social Justice & Perseverance Endowed Scholarship fund and said matching funds made possible by the Mitchell-Moulton Scholarship Initiative increased the fund total to $181,180 as of March 3. She said generous support for the scholarship was provided by Ms. Margie Tuckson, President Tony and Dr. Julee Waldrop, Hancock Whitney Bank, Regions Bank and ATT. She added that a collective gift of $35,000 was recently pledged by the Waldrops, Dr. Angela Coleman, Dr. Mike Mitchell, Dr. Errol Crook, Dr. André Green and Dr. Paul Frazier. She reported $285,525 raised for the Pandemic Emergency Fund as of March 3. She shared that the South Fund employee giving campaign was currently under way through March and that USA Giving Day was scheduled for April 22. She gave details on upcoming USA Health events, including the Hope Cup Golf Tournament set for May 27 and the Local Goodness benefit for USA Children's & Women's Hospital slated for May, and conveyed excitement for projects pending, such as the proposed College of Medicine education building and Jaguar Marching Band facility.

There being no further business, the meeting was adjourned at 1:55 p.m.

Respectfully submitted:

James A. Yance, Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Health Affairs Committee

March 4, 2021
1:55 p.m.

A meeting of the Health Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Dr. Steve Furr on behalf of Dr. Scott Charlton, Chair, on Thursday, March 4, 2021, at 1:55 p.m. in the Chief Calvin W. McGhee Grand Ballroom of the MacQueen Alumni Center. Public access was provided via YouTube livestream.

Members:	Chandra Brown Stewart, Steve Furr, Steve Stokes and Jim Yance were present and Scott Charlton, Arlene Mitchell and Margie Tuckson participated remotely.
Other Trustees:	Alexis Atkins, Tom Corcoran, Ron Graham, Ron Jenkins, Lenus Perkins, Jimmy Shumock, Ken Simon and Mike Windom.
Administration & Guests:	Owen Bailey, Lynne Chronister, Kristin Dukes, Joel Erdmann, Julie Estis, Monica Ezell, Natalie Fox, Paul Frazier, Mike Haskins, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Laura Schratt, John Smith, Margaret Sullivan, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called, **Item 9**. Dr. Furr called for consideration of the minutes of the meeting held on December 2, 2020, **Item 10**. On motion by Dr. Charlton, seconded by Mr. Yance, the Committee voted unanimously to adopt the minutes.

Dr. Furr called for consideration of a resolution authorizing the USA Health Hospitals medical staff appointments and reappointments for November and December 2020 and January 2021, **Item 11**. (To view approved resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 5, 2021.) On motion by Dr. Stokes, seconded by Ms. Brown Stewart, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Dr. Furr called on Dr. Marymont for an update on the activities of USA Health and the College of Medicine, **ITEM 12**. Dr. Marymont advised of the appointment of USA Health Assistant Dean for Educational Strategies and Faculty Development/Vice Chair and Professor of Pediatrics Dr. Benjamin Estrada, whose specialty is infectious disease, to serve on the Sun Belt Conference's COVID-19 Advisory Panel. He added that Dr. Estrada had worked closely with Dr. Erdmann on COVID-19 testing of student athletes.

Dr. Marymont gave background on USA Health Physicians Group Assistant Administrator and Chief of Nursing Operations Dr. Natalie Fox, describing her as the driving force behind USA Health's COVID-19 testing and vaccination initiative and infrastructure. Mr. Bailey read a letter from a citizen complimenting USA Health's vaccination clinic at the Mobile Civic Center and he introduced Dr. Fox, noting she was joining remotely from Friendship Missionary Baptist Church where a COVID-19 vaccination drive was underway. Dr. Fox presented an overview on USA Health's pandemic response program and partnership with the City of Mobile to test and vaccinate citizens with the help of a dedicated team of staff, volunteers, and College of Nursing and College of Allied Health Professions students. She discussed attributes unique to USA Health's pandemic response program; the expansion of vaccinations at the Civic Center to more than 1,000 per day; and opportunities for outreach, including vaccination drives held in underrepresented areas in the community and a mass vaccination clinic held for educators. A video showcasing the drive-through clinic at the Mobile Civic Center was shown. Mr. Shumock and Mr. Yance told of their positive encounters with USA Health COVID-19 prevention and treatment professionals and conveyed pride for USA Health's leadership role in the community. Dr. Marymont noted that everyone who visited the vaccine clinics received a marketing flyer that listed services offered by USA Health and facility locations in Mobile and Baldwin counties.

Dr. Marymont called on Mr. Bailey for an update on capital projects. Mr. Bailey reported on a ribbon-cutting ceremony held in January at the Fanny Meisler Trauma Center at University Hospital, with Governor Ivey in attendance, and on the opening of the USA Health Mobile Diagnostics Midtown Clinic on Old Shell Road on March 1, which offers endocrinology and ear, nose and throat care. A rendering of the proposed pediatric emergency center to be constructed at USA Children's & Women's Hospital was shown and Mr. Bailey announced that a generous University supporter had made a transformational gift that would enable the project to move forward. He stated the certificate-of-need application was submitted earlier in the week; the approval process should be complete within three months and plans for breaking ground were slated for the summer. He gave an update on the pending certificate-of-need application for the USA Health Mapp Family Campus project in Baldwin County. Brief discussion took place about dialysis treatment provided through a partnership with Fresenius Kidney Care and plans for USA Health to hire a pediatric nephrologist and develop the nephrology service line.

There being no further business, the meeting was adjourned at 2:24 p.m.

Respectfully submitted:	On behalf of:
Steve Furr, M.D.	
Steven P. Furr, M.D.	Scott A. Charlton, M.D., Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Academic and Student Affairs Committee

March 4, 2021
2:24 p.m.

A meeting of the Academic and Student Affairs Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Mike Windom, Chair, on Thursday, March 4, 2021, at 2:24 p.m. in the Chief Calvin W. McGhee Grand Ballroom of the MacQueen Alumni Center. Public access was provided via YouTube livestream.

Members:	Steve Furr, Ron Graham, Lenus Perkins and Mike Windom were present and Scott Charlton, Ron Jenkins and Margie Tuckson participated remotely.
Other Trustees:	Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Arlene Mitchell, Jimmy Shumock, Ken Simon, Steve Stokes and Jim Yance.
Administration & Guests:	Zack Aggen, Owen Bailey, Raj Chaudhury, Lynne Chronister, Steve Duff, Kristin Dukes, Joel Erdmann, Julie Estis, Monica Ezell, Paul Frazier, Sage Garris, Mike Haskins, Andi Kent, Nick Lawkis, John Marymont, Joshua Missouri, Mike Mitchell, Harold Pardue, Laura Schratt, Julie Schwindt, John Smith, Margaret Sullivan, John Usher, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called, **Item 13**. Mr. Windom called for consideration of the minutes of the meeting held on December 2, 2020, **Item 14**. On motion by Mr. Graham, seconded by Dr. Charlton, the Committee voted unanimously to adopt the minutes.

Mr. Windom called on Dr. Marymont to present **Item 15**, a resolution awarding tenure to College of Medicine faculty. (To view approved resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 5, 2021.) Dr. Marymont briefly discussed the credentials of Associate Dean of Research Dr. Christopher Davies, Chair of Orthopedic Surgery Dr. James Slaughterbeck and USA Health Mitchell Cancer Institute Director Dr. Martin Heslin, who he noted had recently joined the faculty and whose applications had passed through the appropriate tenure-review channels and were being recommended for approval. On motion by Mr. Graham, seconded by Dr. Furr, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

Mr. Windom called upon Dr. Kent to address **Item 16**, a report on the activities of the Division of Academic Affairs. Dr. Kent advised of approximately $30 million in federal stimulus money and more than $5.5 million in state CARES (Coronavirus Aid Relief and Economic Security) Act funding awarded to South exclusive of money received by USA Health. She introduced Associate Vice President for Finance and Administration Ms. Julie Schwindt and Executive Director of the Innovation in Learning Center (ILC)/USA Online Dr. Raj Chaudhury to discuss the use of these funds. Ms. Schwindt shared information pertaining to two rounds of HEERF (Higher Education Emergency Relief Fund) federal funding that enabled South to award emergency grants to students experiencing financial hardship due to the pandemic, as well as issue refunds for housing and dining plan costs; expand wireless internet on campus; and offset lost revenue as a result of the pandemic. She advised that the CARES Act awards allowed the University to address needs related to personal protective equipment, telework, payroll and remote learning. She talked about the success of a new *Study Smart* program designed to help students adjust to distance learning and of the *One Stop* student resource initiative. Dr. Chaudhury reviewed the pivot to remote instruction in March 2020 and reported on hardware, software and support investments for optimizing the faculty's ability to connect with remote students. He shared details on a three-phase expansion of classroom technology; implementation of the *Canvas* learning management system (LMS); ILC faculty development workshops and courses; a lightboard video recording system and other centralized resources for faculty; and incentives for faculty that included computer equipment and supplies. He shared examples of the positive feedback received from faculty regarding LMS training. Drs. Kent and Chaudhury addressed questions about plans for education delivery moving forward and teaching methods for coursework that is not conducive to online instruction.

Mr. Windom called on Dr. Mitchell for a report on the activities of the Division of Student Affairs, **Item 17**. With reference to USA's objective of improving student retention and graduation rates and helping students to connect, Dr. Mitchell introduced Associate Director of the Office of Veterans Affairs Mr. Joshua Missouri to discuss South's PAVE (Peer Advisors for Veteran Education) program, which he noted was one of 46 chapters nationwide that paired current veteran students with incoming veteran students. Mr. Missouri advised that the core of PAVE was veterans helping veterans and said interactions extend from assistance with government benefits and campus resources to conversations and referrals regarding financial security and wellness. He stated that communications and outreach had transitioned to a virtual environment during the COVID-19 crisis and compared contact tracking data for the 2019 fall and 2020 spring semesters. He introduced Mr. Zack Aggen and Mr. Sage Garris, who gave brief testimonials about their experiences as peer mentors. Mr. Missouri answered questions about the number of veterans and dependents enrolled in the program and eligibility of National Guard members. Mr. Windom shared that he served in the armed forces and volunteered to help with programming.

Mr. Windom asked Ms. Chronister for an update on the activities of the Division of Research and Economic Development, **Item 18**. Ms. Chronister shared that a new talent development program was being created to address concerns expressed by industry leaders that recruiting qualified workers had become a challenge. She introduced members of the program's leadership team Associate Vice President for Academic Affairs/Dean of the Graduate School Dr. Harold Pardue; University consultant and Talent Development Program Director General Steve Duff; and College of Engineering Dean Dr. John Usher to give more information. Each discussed the particulars of the talent development model through which South and community colleges, including Bishop State, would partner to train rising high school seniors via a path of integrated certificate and degree programs synchronized throughout their professional careers leading toward retirement, thus building a pipeline of career learners. They asserted that the program would impact transformational change in the community, provide underrepresented groups with access to rewarding careers, and meet the region's workforce needs. They and Ms. Chronister answered questions about the program anticipated to be implemented during the 2021 fall semester.

There being no further business, the meeting was adjourned at 3:16 p.m.

Respectfully submitted:

Michael P. Windom, Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Budget and Finance Committee

March 4, 2021
3:16 p.m.

A meeting of the Budget and Finance Committee of the University of South Alabama Board of Trustees was duly convened by Mr. Tom Corcoran, Chair, on Thursday, March 4, 2021, at 3:16 p.m. in the Chief Calvin W. McGhee Grand Ballroom of the MacQueen Alumni Center. Public access was provided via YouTube livestream.

Members:	Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Ron Graham, Lenus Perkins and Steve Stokes were present and Ken Simon participated remotely.
Other Trustees:	Scott Charlton, Steve Furr, Ron Jenkins, Arlene Mitchell, Jimmy Shumock, Margie Tuckson, Mike Windom and Jim Yance.
Administration & Guests:	Terry Albano, Owen Bailey, Lynne Chronister, Kristin Dukes, Joel Erdmann, Julie Estis, Monica Ezell, Paul Frazier, Mike Haskins, Rod Kanter (Bradley Arant), Andi Kent, Nick Lawkis, John Marymont, Josh McCoy (PFM), Mike Mitchell, Laura Schratt, John Smith, Margaret Sullivan, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called, **Item 19**. Mr. Corcoran called for consideration of the minutes of the meeting held on December 2, 2020, **Item 20**. On motion by Mr. Perkins, seconded by Dr. Stokes, the Committee voted unanimously to adopt the minutes.

Mr. Corcoran called on Mr. Weldon to discuss the quarterly financial statements for the three months ended December 31, 2020, **Item 21**. Mr. Weldon advised of an increase in net position of approximately $46.4 million for the first quarter of fiscal year 2021 compared to that of approximately $37.2 million reported in the same quarter of fiscal year 2020. He stated the primary reasons for the increase were improvements in financial markets and the recognition of CARES (Coronavirus Aid, Relief and Economic Security) stimulus money.

Mr. Corcoran asked Mr. Weldon to address a resolution ratifying a Series 2021 bond issue, **Item 22**. (For copies of resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 5, 2021.) Mr. Weldon reminded the group that the Board had approved the execution of a bond purchase agreement in December 2020, which was subject to ratification at the March 2021 Board meeting following the pricing and sale of the bonds. He stated the bonds had been priced the preceding week and reported a positive outcome despite volatile market conditions. He thanked Mr. Terry Albano and Assistant Investment Manager Mr. Drew Underwood for guiding the process, and acknowledged the efforts of South's financial advisors, bond underwriters and bond counsel. He called for comments from Mr. Albano, who advised that the bonds totaling approximately $50 million would be used to fund the construction of a physician office building and other USA Health projects. Mr. Albano said the average annual debt service over 20 years would be just over $3.2 million and the all-in interest rate was 2.582 percent. He introduced Mr. Josh McCoy of PFM, South's financial advisor, who said the University received credit ratings of A+ and A1 from the Standard & Poor's and Moody's credit rating agencies, respectively, and that the bonds were sold by BAM Insurance at an AA rating. Mr. McCoy presented a historical comparison of costs in relation to the University's prior bond transactions; shared context on the bond pricing environment; gave an overview of the bonds ordered and advised that Raymond James was the bond underwriter. Mr. Albano addressed the resolution and recognized Mr. Rod Kanter of Bradley Arant, the University's bond attorney. It was noted the bond closing would take place on March 10, 2021. On motion by Ms. Atkins, seconded by Dr. Stokes, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

There being no further business, the meeting was adjourned at 3:25 p.m.

Respectfully submitted:

E. Thomas Corcoran

E. Thomas Corcoran, Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Long-Range Planning Committee

March 4, 2021
3:25 p.m.

A meeting of the Long-Range Planning Committee of the University of South Alabama Board of Trustees was duly convened by Ms. Chandra Brown Stewart, Chair, on Thursday, March 4, 2021, at 3:25 p.m. in the Chief Calvin W. McGhee Grand Ballroom of the MacQueen Alumni Center. Public access was provided via YouTube livestream.

Members:	Chandra Brown Stewart, Lenus Perkins, Steve Stokes, Mike Windom and Jim Yance were present and Ron Jenkins participated remotely.
Other Trustees:	Alexis Atkins, Scott Charlton, Tom Corcoran, Steve Furr, Ron Graham, Arlene Mitchell, Jimmy Shumock, Ken Simon and Margie Tuckson.
Administration & Guests:	Owen Bailey, Lynne Chronister, Angela Coleman, Kristin Dukes, Joel Erdmann, Julie Estis, Monica Ezell, Paul Frazier, Mike Haskins, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Laura Schratt, John Smith, Margaret Sullivan, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called, **Item 23**. Ms. Brown Stewart called for consideration of the minutes of the meeting held on December 2, 2020, **Item 24**. On motion by Mr. Yance, seconded by Mr. Windom, the Committee voted unanimously to adopt the minutes.

Ms. Brown Stewart called on Associate Vice President for Institutional Effectiveness Dr. Angela Coleman for a report on the strategic planning process, **Item 25**. Dr. Coleman advised that, with President Waldrop's imminent retirement, it was recommended that delaying the update of the strategic plan (the Plan) would be best with the exception of proceeding now to update priority area definitions based upon conversations, data collected by the Strategic Planning Committee and input received from the University community. She reported that efforts moving forward would focus on identifying new objectives for each priority, thus setting clear expectations for success over the next two to three years or until the new president could establish a new strategic planning agenda. She stated the new objectives would be derived from broad-based community feedback across constituencies and complement the goals and priorities of each division. She anticipated that the updated Plan would be presented to the Board for authorization in December 2021, noting that the Plan would provide continuity and structure in order for the budgeting and assessment systems to function in accordance with SACSCOC (Southern Association of Colleges and Schools Commission on Colleges) compliance expectations for institutional planning and effectiveness. She also said information gathered as a result of the strategic planning process would ensure USA's next quality enhancement plan emerges with wide-ranging support in concurrence with South's SACSCOC reaffirmation reporting in September 2022.

There being no further business, the meeting was adjourned at 3:29 p.m.

Respectfully submitted:

Chandra Brown Stewart, Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Evaluation and Compensation Committee

March 4, 2021
3:29 p.m.

A meeting of the Evaluation and Compensation Committee of the University of South Alabama Board of Trustees was duly convened by Capt. Ron Jenkins, Chair, on Thursday, March 4, 2021, at 3:29 p.m. in the Chief Calvin W. McGhee Grand Ballroom of the MacQueen Alumni Center. Public access was provided via YouTube livestream.

Members:	Tom Corcoran, Steve Furr and Mike Windom were present and Scott Charlton, Ron Jenkins, Arlene Mitchell and Ken Simon participated remotely.
Other Trustees:	Alexis Atkins, Chandra Brown Stewart, Ron Graham, Lenus Perkins, Jimmy Shumock, Steve Stokes, Margie Tuckson and Jim Yance.
Administration & Guests:	Owen Bailey, Lynne Chronister, Kristin Dukes, Joel Erdmann, Julie Estis, Monica Ezell, Paul Frazier, Mike Haskins, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Laura Schratt, John Smith, Margaret Sullivan, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called, **Item 26**. Capt. Jenkins discussed the evaluation of the University President, **Item 27**, reporting that President Waldrop had submitted to the Committee a summary of significant accomplishments for 2020 and major goals for 2021, as well as an extensive outline of University accomplishments and goals compiled by members of the President's Council. He shared the list of the noteworthy accomplishments cited by President Waldrop, which included the financial success of USA Health, the success of the capital campaign which exceeded the goal despite the COVID-19 pandemic, the completion of Hancock Whitney Stadium on time and under budget, the best overall financial budget notwithstanding the pandemic, and the securing of $50 million for a new medical school building. On behalf of the Committee, he thanked President Waldrop and the President's Council, faculty and staff for the outstanding results achieved in 2020. He advised that reports of this type would be provided annually to the Committee and to the Board, and said the current reports were being made available to all Board members. Trustees shared a round of applause for the positive report and Chairman Shumock thanked President Waldrop for his service.

There being no further business, the meeting was adjourned at 3:32 p.m.

Respectfully submitted:

RD Jenkins III

Robert D. Jenkins III, Chair

UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES

Committee of the Whole

March 4, 2021
3:32 p.m.

A meeting of the Committee of the Whole of the University of South Alabama Board of Trustees was duly convened by Mr. Jimmy Shumock, Chair *pro tempore*, on Thursday, March 4, 2021, at 3:32 p.m. in the Chief Calvin W. McGhee Grand Ballroom of the MacQueen Alumni Center. Public access was provided via YouTube livestream.

Members:	Alexis Atkins, Chandra Brown Stewart, Tom Corcoran, Steve Furr, Ron Graham, Lenus Perkins, Jimmy Shumock, Steve Stokes, Mike Windom and Jim Yance were present and Scott Charlton, Ron Jenkins, Arlene Mitchell, Ken Simon and Margie Tuckson participated remotely.
Member Absent:	Kay Ivey.
Administration & Guests:	Owen Bailey, Lynne Chronister, Kristin Dukes, Joel Erdmann, Julie Estis, Monica Ezell, Paul Frazier, Mike Haskins, Andi Kent, Nick Lawkis, John Marymont, Mike Mitchell, Laura Schratt, John Smith, Margaret Sullivan, Tony Waldrop and Scott Weldon.

The meeting came to order and the attendance roll was called, **Item 28**. Chairman Shumock called for adoption of the revised agenda, **Item 28.A**. On motion by Mr. Graham, seconded by Ms. Mitchell, the Committee voted unanimously to adopt the revised agenda. Chairman Shumock called for consideration of the minutes of the meeting held on December 2, 2020, **Item 29**. On motion by Ms. Atkins, seconded by Dr. Furr, the Committee voted unanimously to adopt the minutes.

Mr. Shumock presented Item **29.A**, a resolution authorizing the amendment of the Presidential Search Guidelines (the Guidelines), as well as the appointment of a Presidential Search Committee (PSC). (To view approved resolutions, policies and other authorized documents, refer to the minutes of the Board of Trustees meeting held on March 5, 2021). Mr. Shumock and Ms. Dukes explained the changes to the Guidelines that allowed for the addition of a student to represent the graduate student body on the PSC and the Board chair to appoint a secretary for the PSC rather than the Board secretary automatically serving as PSC secretary. On motion by Mr. Yance, seconded by Mr. Graham, the Committee voted unanimously to recommend approval of the resolution by the Board of Trustees.

In accordance with the provisions of the Alabama Open Meetings Act, Chairman Shumock made a motion to convene an executive session for an anticipated duration of 45 minutes for the purpose of discussing good name and character and pending or threatened litigation, **Item 30**. He said that Ms. Dukes had submitted the required written declaration for the minutes and that the meeting would effectively be adjourned at the conclusion of the executive session. Ms. Mitchell seconded and, at 3:37 p.m., the Committee of the Whole voted unanimously to convene an executive session, as recorded below, with Chairman Shumock directing the Trustees present to move into the Moulton Board Room and the Trustees participating remotely to join momentarily:

AYES:

- Ms. Atkins
- Ms. Brown Stewart
- Dr. Charlton
- Mr. Corcoran
- Dr. Furr
- Mr. Graham
- Capt. Jenkins
- Ms. Mitchell
- Mr. Perkins
- Mr. Shumock
- Judge Simon
- Dr. Stokes
- Ms. Tuckson
- Judge Windom
- Mr. Yance

There being no further business, the meeting was adjourned at 4:47 p.m.

Respectfully submitted:

James H. Shumock, Chair *pro tempore*

APPENDIX A

Executive Session

University of South Alabama Board of Trustees Committee of the Whole meeting on March 4, 2021.

The purpose of the executive session for the above-referenced meeting is to discuss good name and character, and pending or threatened litigation.

This declaration is submitted pursuant to the requirements of the Alabama Open Meetings Act by Kristin Daniels Dukes, ASB number 6408o61k.

Kristin Daniels Dukes