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OFFICE OF THE PRESIDENT

JUN 06 2013

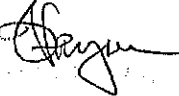
UNIVERSITY OF SOUTH ALABAMA  
Vice President for Financial Affairs  
AD 170

UNIVERSITY OF SOUTH ALABAMA

## MEMORANDUM

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TO: President John W. Smith

FROM: M. Wayne Davis 

SUBJECT: Bond Issue

DATE: June 6, 2013

On April 26, 2013, we opened bids for financing certain University-related capital projects. The most competitive proposal was from Compass Mortgage Corporation (Purchaser). The specifics of each project and bids are noted below:

**Series A:** 2.83%, 20-year level amortization with an optional 10-year redemption. The University has determined to obtain a loan from Purchaser in the amount of \$32,000,000 for the purpose of providing funds to pay, among other things, (1) the costs of designing, developing, acquiring, equipping, installing and constructing a physicians' office building and related capital improvements as part of the health care enterprise of the University and for primary use by the University of South Alabama Health Services Foundation, and (2) capitalized interest through February 1, 2015, referable to the Series 2013-A Bond.

**Series B:** 2.83%, 20-year level amortization with an optional 10-year redemption. The University has determined to obtain a loan from Purchaser in the amount of \$8,000,000 for the purpose of providing funds to pay, among other things, (1) a portion of the costs of designing, developing, acquiring, equipping, installing and constructing capital improvements to the USA Children's and Women's Hospital, and various other capital improvements and equipment of the University (the "2013-B/C Improvements"), and (2) capitalized interest through February 1, 2015, referable to the Series 2013-B Bond.

**Series C:** 2.78%, 15-year level amortization with an optional 10-year redemption. The University has determined to obtain a loan from Purchaser in the amount of \$10,000,000 for the purpose of providing funds to pay, among other things, (1) a portion of the costs of designing, developing, acquiring, equipping, installing and constructing the 2013-B/C Improvements, and (2) capitalized interest through February 1, 2015, referable to the Series 2013-C Bond.

With your approval, this will be presented to the Board of Trustees at its meeting on June 7, 2013.

MWD/cbm

**A RESOLUTION AUTHORIZING THE ISSUANCE  
OF ONE \$32,000,000 UNIVERSITY FACILITIES REVENUE  
CAPITAL IMPROVEMENT BOND  
SERIES 2013-A**

**ONE \$8,000,000 UNIVERSITY FACILITIES REVENUE  
CAPITAL IMPROVEMENT BOND  
SERIES 2013-B**

**AND**

**ONE \$10,000,000 UNIVERSITY FACILITIES REVENUE  
CAPITAL IMPROVEMENT BOND  
SERIES 2013-C**

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

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

(1) it is necessary, advisable, in the interest of the University and the public that the University (i) design, acquire, construct, install, furnish and equip various capital improvements and equipment on the property of the University including, without limitation, a physicians' office building and related capital improvements as part of the health care enterprise of the University and for primary use by the University of South Alabama Health Services Foundation (herein called "HSF"), an Alabama nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (herein called the "2013-A Improvements"), and (ii) design, develop, acquire, equip, install and construct capital improvements to the USA Children's and Women's Hospital, and various other capital improvements and equipment of the University (herein called the "2013-B/C Improvements"); and

(2) the University has undertaken a competitive bidding process for loans for the 2013-A Improvements and the 2013-B/C Improvements, and has received bids and proposals from various financial institutions, including Compass Mortgage Corporation, Regions Bank, SunTrust Bank, and Trustmark National Bank; and

(3) the Vice President for Financial Affairs of the University (herein called the "Vice President") has reported that the bid submitted by Compass Mortgage Corporation (herein called "Compass") is the winning bid for the 2013-A Improvements and the 2013-B/C Improvements; and

(4) pursuant to the Compass bid, the University has through June 10, 2013 to determine whether or not to accept such bid and sell the 2013-A Bond to Compass, and through June 26, 2013 to determine whether or not to accept such bid and sell the 2013-B Bond and/or 2013-C Bond to Compass; and

(5) it is necessary, advisable, in the interest of the University and the public that the Vice President be authorized, in his discretion, to accept the bid of Compass referable to the 2013-A Improvements and, in doing so, to agree, by and on behalf of the University, for the University to sell its \$32,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (herein called the "2013-A Bond") to Compass to pay the costs of designing, acquiring, constructing, installing, furnishing and equipping the 2013-A Improvements, funding capitalized interest respecting the 2013-A Bond, and paying the costs of issuing the 2013-A Bond (such acceptance of the loan and commitment to sell the 2013-A Bond to be evidenced by a signed Bond Sale Commitment in the form attached as Exhibit I hereto); and

(6) it is necessary, advisable, in the interest of the University and the public that the Vice President be authorized, in his discretion, to accept the bid of Compass referable to a portion of the 2013-B/C Improvements and, in doing so, to agree, by and on behalf of the University, for the University to sell its \$8,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (herein called the "2013-B Bond") to Compass to pay a portion of the costs of designing, acquiring, constructing, installing, furnishing and equipping the 2013-B/C Improvements, funding capitalized interest respecting the 2013-B Bond, and paying the costs of issuing the 2013-B Bond (such acceptance of the loan and commitment to sell the 2013-B Bond to be evidenced by a signed Bond Sale Commitment in the form attached as Exhibit II hereto); and

(7) it is necessary, advisable, in the interest of the University and the public that the Vice President be authorized, in his discretion, to accept the proposal of Compass referable to a portion of the 2013-B/C Improvements and, in doing so, to agree, by and on behalf of the University, for the University to sell its \$10,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (herein called the "2013-C Bond") to Compass to pay a portion of the costs of designing, acquiring, constructing, installing, furnishing and equipping the 2013-B/C Improvements, funding capitalized interest respecting the 2013-C Bond, and paying the costs of issuing the 2013-C Bond (such acceptance of the loan and commitment to sell the 2013-C Bond to be evidenced by a signed Bond Sale Commitment in the form attached as Exhibit III hereto).

**(b) 2013 Bonds to be Issued as an Additional Parity Bonds Under the Indenture; Special Findings Under Section 8.2(b) of the Indenture.** Those of the 2013 Bonds determined by the Vice President to be sold by the University 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 2013-A Bond (if determined by the Vice President to be sold by the University) shall be designated Series 2013-A, the 2013-B Bond (if determined by the Vice President to be sold by the University) shall be designated Series 2013-B, and the 2013-C Bond (if determined by the Vice President to be sold by the University) shall be designated Series 2013-C;

(3) for each series of 2013 Bonds, the person or entity to whom such bond is to be delivered shall be the person or entity identified in the Bond Sale Commitment respecting such bond;

(4) the 2013 Bonds are to be issued by sale in accordance with Section 6 hereof;

(5) the sale price of each of the 2013-A Bond (if determined by the Vice President to be sold by the University), the 2013-B Bond (if determined by the Vice President to be sold by the University), and the 2013-C Bond (if determined by the Vice President to be sold by the University) shall be the initial face or par amount of such bond;

(6) (a) the only bonds that have previously been issued by the University under the Indenture are its (i) \$31,680,000 original principal amount of University Tuition Revenue Refunding and Capital Improvement Bonds, Series 1996, dated February 15, 1996 (herein called the "Series 1996 Bonds"), which were issued under and pursuant to the Trust Indenture dated as of February 15, 1996 further described in Section 2 hereof, (ii) \$7,055,000 original principal amount of University Tuition Revenue Refunding Bonds, Series 1996B, dated October 15, 1996 (herein called the "Series 1996B Bonds"), which were issued under and pursuant to the First Supplemental Trust Indenture dated as of October 15, 1996, (iii) \$40,130,000.70 original principal amount of University Tuition Revenue Bonds, Series 1999, dated March 1, 1999 (herein called the "Series 1999 Bonds"), which were issued under and pursuant to the Second Supplemental Trust Indenture dated as of October 15, 1996, (iv) \$51,080,000 original principal amount of 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 as of 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 Trust Indenture dated as of September 1, 2008, and (vii) \$29,750,000 University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010 (herein called the "Series 2010 Bond"), which was issued under and pursuant to the Seventh Supplemental Trust

Indenture dated as of June 16, 2010, (viii) \$25,000,000 University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012 (herein called the "Series 2012-A Bond"), which was issued under an Eighth Supplemental Trust Indenture dated as of January 4, 2012, and (ix) \$7,740,000 University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012 (herein called the "Series 2012-B Bond" and, together with the Series 1999 Bonds, the Series 2004 Bonds, the Series 2006 Bonds, the Series 2008 Bonds, the Series 2010 Bond, and the Series 2012-A Bond, the "Outstanding Bonds"), which was issued under and pursuant to the Eighth Supplemental Trust Indenture dated January 4, 2012; and (b) in Article VIII of the Indenture, the University has reserved the right to issue additional bonds, secured by a pledge of the Pledged Revenues on a parity with the Outstanding Bonds and with such additional bonds as shall have thereafter been issued thereunder, upon compliance with the applicable provisions of said Article VIII; and

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

(8) the 2013-A Bond, if determined by the Vice President to be sold by the University, will be issued for the purposes described in Section 8(a) hereof; the 2013-B Bond, if determined by the Vice President to be sold by the University, will be issued for the purposes described in Section 8(b) hereof; and the 2013-C Bond, if determined by the Vice President to be sold by the University, will be issued for the purposes described in Section 8(c) hereof.

With respect to each 2013 Bond determined by the Vice President to be sold, the Trustee is hereby requested to authenticate and deliver such 2013 Bonds to the entity designated in the Bond Sale Commitment respecting such bond.

**Section 2. Authorization of 2013 Bonds.** For the purposes specified in Section 1 of this resolution, the Vice President is hereby authorized, by and on behalf of the University, to commit the University to sell its (i) University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013, in a principal amount of \$32,000,000 (herein called the "2013-A Bond"), (ii) University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013, in a principal amount of \$8,000,000 (herein called the "2013-B Bond"), and (iii) University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013, in a principal amount of \$10,000,000 (herein called the "2013-C Bond" and, together with the 2013-A Bond and 2013-B Bond, the "2013 Bonds"); all under the terms, conditions and provisions set out in the Ninth Supplemental University Facilities Revenue Trust Indenture dated June 28, 2013, 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 Ninth Supplemental University Facilities Revenue Trust Indenture, herein called the "Indenture"). All the provisions of the Indenture respecting the 2013 Bonds are hereby adopted as a part of this resolution as fully as if set out at length herein.

**Section 3. Source of Payment of the 2013 Bonds.** The principal of and the interest on the 2013 Bonds shall be payable solely from the Pledged Revenues as defined in the Indenture. Nothing contained in this resolution, in the 2013 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 2013 Bonds except from and to the extent of the Pledged Revenues. The 2013 Bonds shall not represent or constitute obligations of any nature whatsoever of the State of Alabama and shall not be payable out of moneys appropriated to the University by the State of Alabama. The agreements, covenants and representations contained in this resolution, in the 2013 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 2013 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 of Alabama, and neither the 2013 Bonds nor any obligation arising from the aforesaid pledge or agreements shall be payable out of any moneys appropriated to the University by the State of Alabama. 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. 2013 Bonds Payable at Par.** All remittances of principal of and interest on the 2013 Bonds to the holder thereof shall be made at par without any deduction for exchange or other cost, fees or expenses. The bank at which the 2013 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 2013 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 or banks all reasonable charges made and expenses incurred by them in making such remittances in bankable funds at par.

**Section 5. Authorization of Ninth Supplemental Indenture.** The Board does hereby authorize and direct the Acting President of the University to execute and deliver, for and in the name and behalf of the University, to The Bank of New York Mellon Trust Company, N.A., as Trustee under the aforesaid Indenture, a Ninth Supplemental University Facilities Revenue Trust Indenture dated June 28, 2013, in substantially the form presented to the meeting at which this resolution is adopted and attached as Exhibit IV 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 Ninth Supplemental University Facilities Revenue Trust Indenture the corporate seal of the University and to attest the same. Without limiting the generality of the foregoing, in the event the Vice President determines not to elect to sell a particular series of 2013 Bonds, then all references to such series contained in the form of Ninth Supplemental University Facilities Revenue Trust Indenture shall be deleted prior to its execution.

**Section 6. Sale of the 2013 Bonds.** The Vice President is hereby authorized, in his sole discretion, to execute (i) a Bond Sale Commitment in the form attached as Exhibit I hereto, and upon the execution and delivery thereof by the Vice President the University shall be deemed to have agreed to sell to the person or entity identified therein the 2013-A Bond at and for a price equal to the face amount of such bond, (ii) a Bond Sale Commitment in the form

attached as Exhibit II hereto, and upon the execution and delivery thereof by the Vice President the University shall be deemed to have agreed to sell to the person or entity identified therein the 2013-B Bond at and for a price equal to the face amount of such bond, and (iii) a Bond Sale Commitment in the form attached as Exhibit III hereto, and upon the execution and delivery thereof by the Vice President the University shall be deemed to have agreed to sell to the person or entity identified therein the 2013-C Bond at and for a price equal to the face amount of such bond. With respect to each series of 2013 Bonds, such bond shall bear such date, shall mature in annual installments at such times and in such manner, shall bear such rate of interest, shall be payable at such place, shall be in such denomination, and shall be in such form and contain such provisions as are set out in the Ninth Supplemental University Facilities Revenue Trust Indenture authorized in Section 5 above.

**Section 7. Execution and Delivery of the 2013 Bonds.** The Board does hereby authorize the Acting President of the University to execute the 2013 Bonds, in the name and on behalf of the University, by causing a manual or facsimile of his signature to be imprinted thereon, and does hereby authorize the Secretary of the Board to cause the corporate seal of the University to be imprinted or impressed on each of the 2013 Bonds and to attest the same by causing a manual or facsimile of her signature to be imprinted thereon, all in the manner provided in the Indenture, and the Acting President of the University is hereby authorized to deliver the 2013 Bonds, subsequent to its execution as provided herein and in the Indenture, to the Trustee under the Indenture, and to direct the Trustee to authenticate the 2013 Bonds and to deliver them to the purchaser thereof.

**Section 8. Application of Proceeds.** (a) Should the Vice President determine, by and on behalf of the University, to sell the 2013-A Bond as herein provided, the entire proceeds derived from the sale thereof shall be paid to the University and applied as follows:

(i) the sum of \$1,424,268.65 shall be deposited into a special fund or account of the University, to be established at Compass Bank, and used to pay interest on the Series 2013-A Bond through and including February 1, 2015, and

(ii) the balance (\$30,575,731.35) shall be deposited into a special fund or account of the University, to be established at Compass Bank, and used to pay the costs of the 2013-A Improvements and the costs of bond counsel to the University, counsel to the University and HSF respecting the 501(c)(3) status of HSF, the financial advisor to the University, and the fees of the Trustee, in connection with the issuance of the Series 2013-A Bond.

(b) Should the Vice President determine, by and on behalf of the University, to sell the 2013-B Bond as herein provided, the entire proceeds derived from the sale thereof shall be paid to the University and applied as follows:

(i) the sum of \$356,067.16 shall be deposited into a special fund or account of the University, to be established at

Compass Bank, and used to pay interest on the Series 2013-B Bond through and including February 1, 2015, and

(ii) the balance (\$7,643,932.84) shall be deposited into a special fund or account of the University, to be established at Compass Bank, and used to pay a portion of the costs of the 2013-B/C Improvements and the costs of bond counsel to the University, the financial advisor to the University, and the fees of the Trustee, in connection with the issuance of the Series 2013-B Bond.

(c) Should the Vice President determine, by and on behalf of the University, to sell the 2013-C Bond as herein provided, the entire proceeds derived from the sale thereof shall be paid to the University and applied as follows:

(i) the sum of \$434,888.47 shall be deposited into a special fund or account of the University, to be established at Compass Bank, and used to pay interest on the Series 2013-C Bond through and including February 1, 2015, and

(ii) the balance (\$9,565,111.53) shall be deposited into a special fund or account of the University, to be established at Compass Bank, and used to pay a portion of the costs of the 2013-B/C Improvements and the costs of bond counsel to the University, the financial advisor to the University, and the fees of the Trustee, in connection with the issuance of the Series 2013-C Bond.

**Section 9. Resolution Constitutes Contract.** The provisions of this resolution shall constitute a contract between the University and the holders of the 2013 Bonds.

**Section 10. Severability.** The various provisions of this resolution are hereby declared to be severable. In the event any provision hereof shall be held invalid by a court of competent jurisdiction, such invalidity shall not affect any other portion of this resolution.

**Section 11. General Authorization.** The Acting President of the University, the Vice President and the Secretary of the Board are hereby authorized to execute such further agreements, certifications, instruments or other documents and to take such other action as any of them may deem appropriate or necessary for the consummation of the matters covered by this resolution, to the end that the 2013 Bonds may be executed and delivered as promptly as practicable.



**EXHIBIT I**

**FORM OF BOND SALE COMMITMENT**  
**2013-A BOND**

**BOND SALE COMMITMENT**

**\$32,000,000**

**University Facilities Revenue Capital Improvement Bond**

**Series 2013-A**

**Dated June 28, 2013**

The undersigned, as Vice President for Financial Affairs for the University of South Alabama, hereby commits on behalf of the University to the sale and delivery by the University to Compass Mortgage Corporation of the University's \$32,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013 (the "Bond"), in accordance with (i) the Bid Response Form submitted by Compass Mortgage Corporation, a copy of which is attached hereto, and (ii) the terms and conditions approved for the Bond as set forth in the Ninth Supplemental Indenture approved by the Board of Trustees on June 7, 2013.

SIGNED AND DELIVERED this \_\_\_\_\_ day of June, 2013.

**UNIVERSITY OF SOUTH ALABAMA**

By: \_\_\_\_\_  
Vice President for Financial Affairs

**EXHIBIT II**

**FORM OF BOND SALE COMMITMENT  
2013-B BOND**

**BOND SALE COMMITMENT**

**\$8,000,000**

**University Facilities Revenue Capital Improvement Bond**

**Series 2013-B**

**Dated June 28, 2013**

The undersigned, as Vice President for Financial Affairs for the University of South Alabama, hereby commits on behalf of the University to the sale and delivery by the University to Compass Mortgage Corporation of the University's \$8,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013 (the "Bond"), in accordance with (i) the Bid Response Form submitted by Compass Mortgage Corporation, a copy of which is attached hereto, and (ii) the terms and conditions approved for the Bond as set forth in the Ninth Supplemental Indenture approved by the Board of Trustees on June 7, 2013.

SIGNED AND DELIVERED this \_\_\_\_\_ day of June, 2013.

**UNIVERSITY OF SOUTH ALABAMA**

By: \_\_\_\_\_  
Vice President for Financial Affairs

**EXHIBIT III**

**FORM OF BOND SALE COMMITMENT**

**2013-C BOND**

**BOND SALE COMMITMENT**

**\$10,000,000**

**University Facilities Revenue Capital Improvement Bond**

**Series 2013-C**

**Dated June 28, 2013**

The undersigned, as Vice President for Financial Affairs for the University of South Alabama, hereby commits on behalf of the University to the sale and delivery by the University to Compass Mortgage Corporation of the University's \$10,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013 (the "Bond"), in accordance with (i) the proposal submitted by Compass Mortgage Corporation, a copy of which is attached hereto, and (ii) the terms and conditions approved for the Bond as set forth in the Ninth Supplemental Indenture approved by the Board of Trustees on June 7, 2013.

SIGNED AND DELIVERED this \_\_\_\_\_ day of June, 2013.

**UNIVERSITY OF SOUTH ALABAMA**

By: \_\_\_\_\_  
Vice President for Financial Affairs

**EXHIBIT IV**

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

**NINTH SUPPLEMENTAL UNIVERSITY FACILITIES  
REVENUE TRUST INDENTURE**

*between*

**UNIVERSITY OF SOUTH ALABAMA**

*and*

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

**Dated June 28, 2013**

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

## **RECITALS**

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

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

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

(c) The University has determined to obtain a loan from Compass Mortgage Corporation ("Purchaser") in the amount of \$32,000,000 for the purpose of providing funds to pay, among other things, (1) the costs of designing, developing, acquiring, equipping, installing and constructing a physicians' office

building and related capital improvements as part of the health care enterprise of the University and for primary use by the University of South Alabama Health Services Foundation ("HSF"), an Alabama nonprofit corporation and an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "2013-A Improvements"), (2) capitalized interest through February 1, 2015, referable to the Series 2013-A Bond defined below, and (3) the costs of issuing the Series 2013-A Bond, and as evidence of the obligation of the University to repay such loan the University now desires to issue an Additional Bond in the principal amount of \$32,000,000.

(d) The University has determined to obtain a loan from Purchaser in the amount of \$8,000,000 for the purpose of providing funds to pay, among other things, (1) a portion of the costs of designing, developing, acquiring, equipping, installing and constructing capital improvements to the USA Children's and Women's Hospital, and various other capital improvements and equipment of the University (the "2013-B/C Improvements"), (2) capitalized interest through February 1, 2015, referable to the Series 2013-B Bond defined below, and (3) the costs of issuing the Series 2013-B Bond, and as evidence of the obligation of the University to repay such loan, the University now desires to issue an Additional Bond in the principal amount of \$8,000,000.

(e) The University has determined to obtain a loan from Purchaser in the amount of \$10,000,000 for the purpose of providing funds to pay, among other things, (1) a portion of the costs of designing, developing, acquiring, equipping, installing and constructing the 2013-B/C Improvements, (2) capitalized interest through February 1, 2015, referable to the Series 2013-C Bond defined below, and (3) the costs of issuing the Series 2013-C Bond, and as evidence of the obligation of the University to repay such loan, the University now desires to issue an Additional Bond in the principal amount of \$10,000,000.

(f) The University has duly adopted a resolution authorizing the issuance of such aforesaid Additional Bonds, and this Ninth Supplemental University Facilities Revenue Trust Indenture is being executed in order to specify the details with respect to such Additional Bonds.

(g) This Ninth Supplemental University Facilities Revenue Trust Indenture is being executed to provide for the issuance of the Series 2013-A Bond, the Series 2013-B Bond, and the Series 2013-C Bond as Additional Bonds under the Indenture.

#### **Additional Definitions**

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

**"Interest Payment Date"** means, with respect to any Bond, each August 1 and February 1, commencing August 1, 2013.

**"Purchaser"** means Compass Mortgage Corporation, the purchaser of the Series 2013 Bonds.

**"Series 2013 Bonds"** means the Series 2013-A Bond, the Series 2013-B Bond, and the Series 2013-C Bond.

**"Series 2013-A Bond"** means the \$32,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013, and sold to the Purchaser on June 7, 2013.

**"Series 2013-B Bond"** means the \$8,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013, and sold to the Purchaser on [June 26, 2013].

**"Series 2013-C Bond"** means the \$10,000,000 University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013, and sold to the Purchaser on [June 26, 2013].

**"2013-A Improvements"** shall have the meaning given to such term in the recitals hereof.

**"2013-B/C Improvements"** shall have the meaning given to such term in the recitals hereof.

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

**WITNESSETH:**

It is hereby agreed among the University, the Trustee and its successors in trust under the Indenture and the holder at any time of the Series 2013-A Bond, Series 2013-B Bond, and Series 2013-C Bond hereinafter referred to and the Outstanding Bonds each with each of the others, as follows:

**ARTICLE I  
SERIES 2013-A BOND**

**Section 1.1 Description of the Series 2013-A Bond.** (a) **Authorization and General Description.** There is hereby authorized to be issued and delivered by the University under the Indenture one University Facilities Revenue Capital Improvement Bond, Series 2013-A, dated June 28, 2013, in the principal amount of \$32,000,000. Principal installments of the Series 2013-A Bond shall mature and become payable on August 1 in the years and amounts shown below, and interest shall be payable on August 1, 2013, and on each Interest Payment Date thereafter, at the per annum rate equal to 2.830%, computed on a 360 day year of 12 consecutive 30-day months, all as set forth in the following amortization schedule:



Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2013			83,013.33	83,013.33	83,013.33
02/01/2014			452,800.00	452,800.00	
08/01/2014	1,211,638.50	2.830%	452,800.00	1,664,438.50	2,117,238.50
02/01/2015			435,655.32	435,655.32	
08/01/2015	1,245,927.90	2.830%	435,655.32	1,681,583.22	2,117,238.54
02/01/2016			418,025.44	418,025.44	
08/01/2016	1,281,187.60	2.830%	418,025.44	1,699,213.04	2,117,238.48
02/01/2017			399,896.63	399,896.63	
08/01/2017	1,317,445.30	2.830%	399,896.63	1,717,341.93	2,117,238.56
02/01/2018			381,254.78	381,254.78	
08/01/2018	1,354,729.00	2.830%	381,254.78	1,735,983.78	2,117,238.56
02/01/2019			362,085.36	362,085.36	
08/01/2019	1,393,067.80	2.830%	362,085.36	1,755,153.16	2,117,238.52
02/01/2020			342,373.46	342,373.46	
08/01/2020	1,432,491.60	2.830%	342,373.46	1,774,865.06	2,117,238.52
02/01/2021			322,103.70	322,103.70	
08/01/2021	1,473,031.10	2.830%	322,103.70	1,795,134.80	2,117,238.50
02/01/2022			301,260.31	301,260.31	
08/01/2022	1,514,717.90	2.830%	301,260.31	1,815,978.21	2,117,238.52
02/01/2023			279,827.05	279,827.05	
08/01/2023	1,557,584.40	2.830%	279,827.05	1,837,411.45	2,117,238.50
02/01/2024			257,787.23	257,787.23	
08/01/2024	1,601,664.00	2.830%	257,787.23	1,859,451.23	2,117,238.46
02/01/2025			235,123.69	235,123.69	
08/01/2025	1,646,991.10	2.830%	235,123.69	1,882,114.79	2,117,238.48
02/01/2026			211,818.76	211,818.76	
08/01/2026	1,693,601.00	2.830%	211,818.76	1,905,419.76	2,117,238.52
02/01/2027			187,854.31	187,854.31	
08/01/2027	1,741,529.90	2.830%	187,854.31	1,929,384.21	2,117,238.52
02/01/2028			163,211.66	163,211.66	
08/01/2028	1,790,815.20	2.830%	163,211.66	1,954,026.86	2,117,238.52
02/01/2029			137,871.62	137,871.62	
08/01/2029	1,841,495.30	2.830%	137,871.62	1,979,366.92	2,117,238.54
02/01/2030			111,814.47	111,814.47	
08/01/2030	1,893,609.60	2.830%	111,814.47	2,005,424.07	2,117,238.54
02/01/2031			85,019.89	85,019.89	
08/01/2031	1,947,198.70	2.830%	85,019.89	2,032,218.59	2,117,238.48
02/01/2032			57,467.03	57,467.03	
08/01/2032	2,002,304.40	2.830%	57,467.03	2,059,771.43	2,117,238.46
02/01/2033			29,134.42	29,134.42	
08/01/2033	2,058,969.70	2.830%	29,134.42	2,088,104.12	2,117,238.54
TOTAL	32,000,000.00		10,427,783.59	42,427,783.59	42,427,783.59

In the event of a discrepancy between the computation of interest on the Series 2013-A Bond as described above and the amortization schedule set forth above, the payments due under the amortization schedule shall control.

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

**Section 1.2 Optional Redemption.** The University shall have the right to redeem and retire the Series 2013-A Bond, in whole or in part (but, if in part, in multiples of \$5,000 with those installments of principal to be redeemed to be selected by the University at its discretion)

without penalty or premium on June 1, 2023, and on any date thereafter, upon not less than 10 days' prior written notice to the Purchaser (with a copy to the Trustee), at and for a price equal to 100% of the principal of the Series 2013-A Bond to be redeemed plus accrued interest to the date set for redemption.

**Section 1.3 Method of Payment.** Principal installments of the Series 2013-A Bond shall be payable when due at the designated corporate trust office of the Trustee in the City of Birmingham, Alabama. Interest on the Series 2013-A Bond shall be payable by check or draft mailed or otherwise delivered by the Trustee to the Purchaser at its addresses as it appears on the registry books of the Trustee pertaining to the registration of the Series 2013-A Bond; provided, that the final payment of such principal and interest that is due on August 1, 2033, shall be made only upon surrender of the Series 2013-A Bond to the Trustee. All installments of principal of and interest on the Series 2013-A Bond shall bear interest after the respective maturities of such principal and interest until paid or until moneys sufficient for payment thereof shall have been deposited for that purpose with the Trustee, whichever first occurs, at the rate of interest borne by the Series 2013-A Bond.

**Section 1.4 Form of Series 2013-A Bond.** The Series 2013-A Bond and the Trustee's Authentication Certificate shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

**THIS SERIES 2013-A BOND MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE INDENTURE REFERRED TO HEREIN.**

**UNITED STATES OF AMERICA**

**STATE OF ALABAMA**

**UNIVERSITY OF SOUTH ALABAMA**

**University Facilities Revenue Capital Improvement Bond  
Series 2013-A**

For value received, the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate under the laws of the State of Alabama (herein called the "University"), will pay, solely from the sources hereinafter referred to, to **COMPASS MORTGAGE CORPORATION** (the "Purchaser"), the principal sum of **THIRTY-TWO MILLION DOLLARS (\$32,000,000)**, in annual installments at the times, in the amounts and as set forth below.

The principal hereof shall mature and become payable in annual installments on August 1 in the years and amounts shown below, and interest shall be payable on August 1, 2013, and on each February 1 and August 1 thereafter (each, an Interest Payment Date") (provided, however, that the final payment of the principal hereof and interest hereon due on

August 1, 2033, shall be made only upon the surrender of this bond at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., in the City of Birmingham, Alabama, or its successor as trustee under the Indenture), at the per annum rate equal to 2.830%, computed on a 360 day year of 12 consecutive 30-day months, all as set forth in the following amortization schedule:

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2013			83,013.33	83,013.33	83,013.33
02/01/2014			452,800.00	452,800.00	
08/01/2014	1,211,638.50	2.830%	452,800.00	1,664,438.50	2,117,238.50
02/01/2015			435,655.32	435,655.32	
08/01/2015	1,245,927.90	2.830%	435,655.32	1,681,583.22	2,117,238.54
02/01/2016			418,025.44	418,025.44	
08/01/2016	1,281,187.60	2.830%	418,025.44	1,699,213.04	2,117,238.48
02/01/2017			399,896.63	399,896.63	
08/01/2017	1,317,445.30	2.830%	399,896.63	1,717,341.93	2,117,238.56
02/01/2018			381,254.78	381,254.78	
08/01/2018	1,354,729.00	2.830%	381,254.78	1,735,983.78	2,117,238.56
02/01/2019			362,085.36	362,085.36	
08/01/2019	1,393,067.80	2.830%	362,085.36	1,755,153.16	2,117,238.52
02/01/2020			342,373.46	342,373.46	
08/01/2020	1,432,491.60	2.830%	342,373.46	1,774,865.06	2,117,238.52
02/01/2021			322,103.70	322,103.70	
08/01/2021	1,473,031.10	2.830%	322,103.70	1,795,134.80	2,117,238.50
02/01/2022			301,260.31	301,260.31	
08/01/2022	1,514,717.90	2.830%	301,260.31	1,815,978.21	2,117,238.52
02/01/2023			279,827.05	279,827.05	
08/01/2023	1,557,584.40	2.830%	279,827.05	1,837,411.45	2,117,238.50
02/01/2024			257,787.23	257,787.23	
08/01/2024	1,601,664.00	2.830%	257,787.23	1,859,451.23	2,117,238.46
02/01/2025			235,123.69	235,123.69	
08/01/2025	1,646,991.10	2.830%	235,123.69	1,882,114.79	2,117,238.48
02/01/2026			211,818.76	211,818.76	
08/01/2026	1,693,601.00	2.830%	211,818.76	1,905,419.76	2,117,238.52
02/01/2027			187,854.31	187,854.31	
08/01/2027	1,741,529.90	2.830%	187,854.31	1,929,384.21	2,117,238.52
02/01/2028			163,211.66	163,211.66	
08/01/2028	1,790,815.20	2.830%	163,211.66	1,954,026.86	2,117,238.52
02/01/2029			137,871.62	137,871.62	
08/01/2029	1,841,495.30	2.830%	137,871.62	1,979,366.92	2,117,238.54
02/01/2030			111,814.47	111,814.47	
08/01/2030	1,893,609.60	2.830%	111,814.47	2,005,424.07	2,117,238.54
02/01/2031			85,019.89	85,019.89	
08/01/2031	1,947,198.70	2.830%	85,019.89	2,032,218.59	2,117,238.48
02/01/2032			57,467.03	57,467.03	
08/01/2032	2,002,304.40	2.830%	57,467.03	2,059,771.43	2,117,238.46
02/01/2033			29,134.42	29,134.42	
08/01/2033	2,058,969.70	2.830%	29,134.42	2,088,104.12	2,117,238.54
TOTAL	32,000,000.00		10,427,783.59	42,427,783.59	42,427,783.59

In the event of a discrepancy between the computation of interest as described above and this amortization schedule, the payments due under this amortization schedule shall control.

Principal and interest on this bond are payable by check or draft mailed by the Trustee to the Purchaser on the applicable Interest Payment Date and at the address of the

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

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

This bond is herein entitled "University Facilities Revenue Capital Improvement Bond, Series 2013-A" and has been issued under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended and as further supplemented and amended by a Ninth Supplemental University Facilities Revenue Trust Indenture dated June 28, 2013 (the said Trust Indenture, as so supplemented and amended, being herein called the "Indenture"), between the University and The Bank of New York Mellon Trust Company, N.A. (herein called the "Trustee"). The principal of and the interest on this bond are payable solely out of and are secured by a lien upon and pledge of (a) certain fees from students levied by the University, (b) the gross revenues derived from certain auxiliary enterprises services furnished by the University, including, food services, housing, college stores, dining, concessions and other similar services, as such revenues are shown as a separate item on the audited financial statements of the University, and (c) an amount not exceeding \$10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children's and Women's Hospital (herein called the "Pledged Revenues"), and shall not be payable from any other funds or revenues, on a parity of lien with (1) the University's (a) \$40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999, (b) \$51,080,000 original principal amount Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, dated March 15, 2004, (c) \$100,000,000 original principal amount University Tuition Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006, (d) \$112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008, (e) \$29,750,000 University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010, (f) \$25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012, (g) \$7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012, (h) \$8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, to be dated June 28, 2013, which the University will issue and deliver on the date on which this bond is issued and delivered, and (i) \$10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, to be dated June 28, 2013, which the

University will issue and deliver on the date on which this bond is issued and delivered; and (2) any Additional Bonds hereafter issued pursuant to Article VIII of the Indenture.

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

The principal of this bond shall be subject to redemption and payment by the University, at the option of the University, as a whole or in part without penalty or premium, on June 1, 2023, and on any date thereafter (but, if in part, in multiples of \$5,000 with those installments of principal to be redeemed to be selected by the University at its discretion), upon not less than 10 days' prior written notice to the Purchaser (with a copy to the Trustee), at and for a redemption price equal to 100% of the principal hereof to be redeemed plus accrued interest to the date fixed for redemption.

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

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

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

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

IN WITNESS WHEREOF, the University has caused this bond to be executed in its name and behalf with the signature of its Acting President, has caused a facsimile of its corporate seal to be hereunto imprinted, has caused this bond to be attested by the signature of the Secretary of its Board of Trustees, and has caused this bond to be dated June 28, 2013.

**UNIVERSITY OF SOUTH ALABAMA**

By: \_\_\_\_\_  
Acting President  
University of South Alabama

[ S E A L ]

Attest:

\_\_\_\_\_  
Secretary of the  
Board of Trustees

**Form of Trustee's Authentication Certificate**

Date of Authentication and Registration:

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

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

By: \_\_\_\_\_  
Its Authorized Officer

**Section 1.5 Execution and Delivery of the Series 2013-A Bond.** The Series 2013-A Bond shall be forthwith executed and delivered to the Trustee and shall be authenticated and delivered by the Trustee from time to time upon receipt by the Trustee of an order signed on behalf of the University by its President or Acting President, as the case may be, requesting such authentication and delivery and designating the person or persons to receive the same or any part thereof.

**Section 1.6 Application of Proceeds from the Sale of the Series 2013-A Bond.** The entire proceeds from the sale of the Series 2013-A Bond shall be applied as follows:

(i) the sum of \$1,424,268.65 shall be deposited into a special fund or account of the University and used to pay interest on the Series 2013-A Bond through and including February 1, 2015, and

(ii) the balance (\$30,575,731.35) shall be deposited into a special fund or account of the University and used to pay the costs of the 2013-A Improvements and the costs of bond counsel to the University, counsel to the University and HSF respecting the 501(c)(3) status of HSF, the financial advisor to the University, and the fees of the Trustee, in connection with the issuance of the Series 2013-A Bond.

## ARTICLE II SERIES 2013-B BOND

**Section 2.1 Description of the Series 2013-B Bond.** (a) **Authorization and General Description.** There is hereby authorized to be issued and delivered by the University under the Indenture one University Facilities Revenue Capital Improvement Bond, Series 2013-B, dated June 28, 2013, in the principal amount of \$8,000,000. Principal installments of the Series 2013-B Bond shall mature and become payable on August 1 in the years and amounts shown below, and interest shall be payable on August 1, 2013, and on each Interest Payment Date thereafter, at the per annum rate equal to 2.830%, computed on a 360 day year of 12 consecutive 30-day months, all as set forth in the following amortization schedule:

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2013			20,753.33	20,753.33	20,753.33
02/01/2014			113,200.00	113,200.00	
08/01/2014	302,909.60	2.830%	113,200.00	416,109.60	529,309.60
02/01/2015			108,913.83	108,913.83	
08/01/2015	311,482.00	2.830%	108,913.83	420,395.83	529,309.66
02/01/2016			104,506.36	104,506.36	
08/01/2016	320,296.90	2.830%	104,506.36	424,803.26	529,309.62
02/01/2017			99,974.16	99,974.16	
08/01/2017	329,361.30	2.830%	99,974.16	429,335.46	529,309.62
02/01/2018			95,313.70	95,313.70	
08/01/2018	338,682.20	2.830%	95,313.70	433,995.90	529,309.60
02/01/2019			90,521.34	90,521.34	

08/01/2019	348,266.90	2.830%	90,521.34	438,788.24	529,309.58
02/01/2020			85,593.37	85,593.37	
08/01/2020	358,122.90	2.830%	85,593.37	443,716.27	529,309.64
02/01/2021			80,525.93	80,525.93	
08/01/2021	368,257.80	2.830%	80,525.93	448,783.73	529,309.66
02/01/2022			75,315.08	75,315.08	
08/01/2022	378,679.50	2.830%	75,315.08	453,994.58	529,309.66
02/01/2023			69,956.76	69,956.76	
08/01/2023	389,396.10	2.830%	69,956.76	459,352.86	529,309.62
02/01/2024			64,446.81	64,446.81	
08/01/2024	400,416.00	2.830%	64,446.81	464,862.81	529,309.62
02/01/2025			58,780.92	58,780.92	
08/01/2025	411,747.80	2.830%	58,780.92	470,528.72	529,309.64
02/01/2026			52,954.69	52,954.69	
08/01/2026	423,400.30	2.830%	52,954.69	476,354.99	529,309.68
02/01/2027			46,963.58	46,963.58	
08/01/2027	435,382.50	2.830%	46,963.58	482,346.08	529,309.66
02/01/2028			40,802.91	40,802.91	
08/01/2028	447,703.80	2.830%	40,802.91	488,506.71	529,309.62
02/01/2029			34,467.91	34,467.91	
08/01/2029	460,373.80	2.830%	34,467.91	494,841.71	529,309.62
02/01/2030			27,953.62	27,953.62	
08/01/2030	473,402.40	2.830%	27,953.62	501,356.02	529,309.64
02/01/2031			21,254.97	21,254.97	
08/01/2031	486,799.70	2.830%	21,254.97	508,054.67	529,309.64
02/01/2032			14,366.76	14,366.76	
08/01/2032	500,576.10	2.830%	14,366.76	514,942.86	529,309.62
02/01/2033			7,283.60	7,283.60	
08/01/2033	514,742.40	2.830%	7,283.60	522,026.00	529,309.60
TOTAL	8,000,000.00		2,606,945.93	10,606,945.93	10,606,945.93

In the event of a discrepancy between the computation of interest on the Series 2013-B Bond as described above and the amortization schedule set forth above, the payments due under the amortization schedule shall control.

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

**Section 2.2 Optional Redemption.** The University shall have the right to redeem and retire the Series 2013-B Bond, in whole or in part (but, if in part, in multiples of \$5,000 with those installments of principal to be redeemed to be selected by the University at its discretion), on June 1, 2023, and on any date thereafter, upon not less than 10 days' prior written notice to the Purchaser (with a copy to the Trustee), at and for a redemption price equal to 100% of the principal hereof to be redeemed plus accrued interest to the date set for redemption.

**Section 2.3 Method of Payment.** Principal installments of the Series 2013-B Bond shall be payable when due at the designated corporate trust office of the Trustee in the City of Birmingham, Alabama. Interest on the Series 2013-B Bond shall be payable by check or draft mailed or otherwise delivered by the Trustee to the Purchaser at its addresses as it appears on the registry books of the Trustee pertaining to the registration of the Series 2013-B Bond; provided, that the final payment of such principal and interest that is due on August 1, 2033, shall be made only upon surrender of the Series 2013-B Bond to the Trustee. All installments of principal of



and interest on the Series 2013-B Bond shall bear interest after the respective maturities of such principal and interest until paid or until moneys sufficient for payment thereof shall have been deposited for that purpose with the Trustee, whichever first occurs, at the rate of interest borne by the Series 2013-B Bond.

**Section 2.4 Form of Series 2013-B Bond.** The Series 2013-B Bond and the Trustee's Authentication Certificate shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

**THIS SERIES 2013-B BOND MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE INDENTURE REFERRED TO HEREIN.**

**UNITED STATES OF AMERICA**

**STATE OF ALABAMA**

**UNIVERSITY OF SOUTH ALABAMA**

**University Facilities Revenue Capital Improvement Bond  
Series 2013-B**

For value received, the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate under the laws of the State of Alabama (herein called the "University"), will pay, solely from the sources hereinafter referred to, to **COMPASS MORTGAGE CORPORATION** (the "Purchaser"), the principal sum of **EIGHT MILLION DOLLARS (\$8,000,000)**, in annual installments at the times, in the amounts and as set forth below.

The principal hereof shall mature and become payable in annual installments on August 1 in the years and amounts shown below, and interest shall be payable on August 1, 2013, and on each February 1 and August 1 thereafter (each, an "Interest Payment Date") (provided, however, that the final payment of the principal hereof and interest hereon due on August 1, 2033, shall be made only upon the surrender of this bond at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., in the City of Birmingham, Alabama, or its successor as trustee under the Indenture), at the per annum rate equal to 2.830%, computed on a 360 day year of 12 consecutive 30-day months, all as set forth in the following amortization schedule:

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2013			20,753.33	20,753.33	20,753.33
02/01/2014			113,200.00	113,200.00	
08/01/2014	302,909.60	2.830%	113,200.00	416,109.60	529,309.60
02/01/2015			108,913.83	108,913.83	
08/01/2015	311,482.00	2.830%	108,913.83	420,395.83	529,309.66

02/01/2016			104,506.36	104,506.36	
08/01/2016	320,296.90	2.830%	104,506.36	424,803.26	529,309.62
02/01/2017			99,974.16	99,974.16	
08/01/2017	329,361.30	2.830%	99,974.16	429,335.46	529,309.62
02/01/2018			95,313.70	95,313.70	
08/01/2018	338,682.20	2.830%	95,313.70	433,995.90	529,309.60
02/01/2019			90,521.34	90,521.34	
08/01/2019	348,266.90	2.830%	90,521.34	438,788.24	529,309.58
02/01/2020			85,593.37	85,593.37	
08/01/2020	358,122.90	2.830%	85,593.37	443,716.27	529,309.64
02/01/2021			80,525.93	80,525.93	
08/01/2021	368,257.80	2.830%	80,525.93	448,783.73	529,309.66
02/01/2022			75,315.08	75,315.08	
08/01/2022	378,679.50	2.830%	75,315.08	453,994.58	529,309.66
02/01/2023			69,956.76	69,956.76	
08/01/2023	389,396.10	2.830%	69,956.76	459,352.86	529,309.62
02/01/2024			64,446.81	64,446.81	
08/01/2024	400,416.00	2.830%	64,446.81	464,862.81	529,309.62
02/01/2025			58,780.92	58,780.92	
08/01/2025	411,747.80	2.830%	58,780.92	470,528.72	529,309.64
02/01/2026			52,954.69	52,954.69	
08/01/2026	423,400.30	2.830%	52,954.69	476,354.99	529,309.68
02/01/2027			46,963.58	46,963.58	
08/01/2027	435,382.50	2.830%	46,963.58	482,346.08	529,309.66
02/01/2028			40,802.91	40,802.91	
08/01/2028	447,703.80	2.830%	40,802.91	488,506.71	529,309.62
02/01/2029			34,467.91	34,467.91	
08/01/2029	460,373.80	2.830%	34,467.91	494,841.71	529,309.62
02/01/2030			27,953.62	27,953.62	
08/01/2030	473,402.40	2.830%	27,953.62	501,356.02	529,309.64
02/01/2031			21,254.97	21,254.97	
08/01/2031	486,799.70	2.830%	21,254.97	508,054.67	529,309.64
02/01/2032			14,366.76	14,366.76	
08/01/2032	500,576.10	2.830%	14,366.76	514,942.86	529,309.62
02/01/2033			7,283.60	7,283.60	
08/01/2033	514,742.40	2.830%	7,283.60	522,026.00	529,309.60
TOTAL	8,000,000.00		2,606,945.93	10,606,945.93	10,606,945.93

In the event of a discrepancy between the computation of interest as described above and this amortization schedule, the payments due under this amortization schedule shall control.

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

Principal and interest payments that are due with respect to this bond and that are made by check or draft shall be deemed timely made if such check or draft is mailed by the Trustee on or before the due date of such principal or interest. Both the principal of and the interest on this bond shall bear interest after their respective maturities until paid or until moneys sufficient for payment thereof have been deposited with the Trustee at the per annum rate stated above. The Indenture provides that all payments by the University or the Trustee to the

Purchaser at the address for the Purchaser shown on the registry books of the Trustee shall to the extent thereof fully discharge and satisfy all liability for the same. Any permitted transferee of this bond takes it subject to all payments of principal and interest in fact made with respect hereto.

This bond is herein entitled "University Facilities Revenue Capital Improvement Bond, Series 2013-B" and has been issued under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended and as further supplemented and amended by a Ninth Supplemental University Facilities Revenue Trust Indenture dated June 28, 2013 (the said Trust Indenture, as so supplemented and amended, being herein called the "Indenture"), between the University and The Bank of New York Mellon Trust Company, N.A. (herein called the "Trustee"). The principal of and the interest on this bond are payable solely out of and are secured by a lien upon and pledge of (a) certain fees from students levied by the University, (b) the gross revenues derived from certain auxiliary enterprises services furnished by the University, including, food services, housing, college stores, dining, concessions and other similar services, as such revenues are shown as a separate item on the audited financial statements of the University, and (c) an amount not exceeding \$10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children's and Women's Hospital (herein called the "Pledged Revenues"), and shall not be payable from any other funds or revenues, on a parity of lien with (1) the University's (a) \$40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999, (b) \$51,080,000 original principal amount Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, dated March 15, 2004, (c) \$100,000,000 original principal amount University Tuition Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006, (d) \$112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008, (e) \$29,750,000 University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010, (f) \$25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012, (g) \$7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012, (h) \$32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, to be dated June 28, 2013, and (i) \$10,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-C, to be dated June 28, 2013, which the University will issue and deliver on the date on which this bond is issued and delivered; and (2) any Additional Bonds hereafter issued pursuant to Article VIII of the Indenture.

Reference is hereby made to the Indenture for a description of the nature and extent of the security afforded thereby, the rights and duties of the University and the Trustee with respect thereto, the rights of the Purchaser of this bond and the terms and conditions on which additional series of bonds may be issued on a parity of lien with this bond. The Indenture provides, inter alia, (a) that in the event of default by the University in the manner and for the time therein provided, the Trustee may declare the principal of and the interest accrued on this bond immediately due and payable, whereupon the same shall thereupon become immediately due and payable and the Trustee shall be entitled to pursue the remedies provided in the Indenture, (b) that the holder of this bond shall have no right to enforce the provisions of the Indenture except as provided therein and then only for the equal and pro rata benefit of the holders of all the Bonds, and (c) that if this bond shall not be presented for payment when due

(whether by maturity or otherwise) and if funds sufficient for such payment shall have been made available to the Trustee therefore, all liability of the University to the holder of such bond and all rights of such holder against the University under such bond or under the Indenture shall cease and terminate and that the sole right of such holder shall thereafter be against the said funds so made available, which the Trustee is required to set aside and hold, subject to any applicable escheat or other similar law, for the benefit of such holder. The Indenture also provides that the University and the Trustee, with the written consent of the holders of not less than a majority in aggregate principal amount of the Bonds then outstanding under the Indenture, may at any time and from time to time amend the Indenture or any indenture supplemental thereto, provided that no such amendment shall (1) without the consent of the holder of each Bond affected, reduce the principal of, the rate of interest on any Bond, or (2) without the consent of the holders of all the Bonds then outstanding under the Indenture, extend the maturity of any installment of principal or interest on any of the Bonds, make any change in the schedule of required sinking fund or other similar payments with respect to any series of the Bonds, create a lien or charge on the Pledged Revenues ranking prior to or (except in connection with the issuance of additional parity bonds under the Indenture) on a parity with the lien or charge thereon contained in the Indenture, effect a preference or priority of any Bond over any other Bond or reduce the aggregate principal amount of Bonds the holders of which are required to consent to any such amendment.

The principal of this bond shall be subject to redemption and payment by the University, at the option of the University, as a whole or in part, on June 1, 2023, and on any date thereafter (but, if in part, in multiples of \$5,000 with those installments of principal to be redeemed to be selected by the University at its discretion), upon not less than 10 days' prior written notice to the Purchaser (with a copy to the Trustee), at and for a redemption price equal to 100% of the principal hereof to be redeemed plus accrued interest to the date fixed for redemption.

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

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

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

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

**IN WITNESS WHEREOF**, the University has caused this bond to be executed in its name and behalf with the signature of its Acting President, has caused a facsimile of its

corporate seal to be hereunto imprinted, has caused this bond to be attested by the signature of the Secretary of its Board of Trustees, and has caused this bond to be dated June 28, 2013.

**UNIVERSITY OF SOUTH ALABAMA**

By: \_\_\_\_\_  
Acting President  
University of South Alabama

[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

**Section 2.5 Execution and Delivery of the Series 2013-B Bond.** The Series 2013-B Bond shall be forthwith executed and delivered to the Trustee and shall be authenticated and delivered by the Trustee from time to time upon receipt by the Trustee of an order signed on behalf of the University by its President or Acting President, as the case may be, requesting such authentication and delivery and designating the person or persons to receive the same or any part thereof.

**Section 2.6 Application of Proceeds from the Sale of the Series 2013-B Bond.** The entire proceeds from the sale of the Series 2013-B Bond shall be applied as follows:

(i) the sum of \$356,067.16 shall be deposited into a special fund or account of the University and used to pay interest on the Series 2013-B Bond through and including February 1, 2015, and

(ii) the balance (\$7,643,932.84) shall be deposited into a special fund or account of the University and used to pay a portion of the costs of the 2013-B/C Improvements and the costs of bond counsel to the University, the financial advisor to the University, and the fees of the Trustee, in connection with the issuance of the Series 2013-B Bond.

### ARTICLE III SERIES 2013-C BOND

**Section 3.1 Description of the Series 2013-C Bond. (a) Authorization and General Description.** There is hereby authorized to be issued and delivered by the University under the Indenture one University Facilities Revenue Capital Improvement Bond, Series 2013-C, dated June 28, 2013, in the principal amount of \$10,000,000. Principal installments of the Series 2013-C Bond shall mature and become payable on August 1 in the years and amounts shown below, and interest shall be payable on August 1, 2013, and on each Interest Payment Date thereafter, at the per annum rate equal to 2.780%, computed on a 360 day year of 12 consecutive 30-day months, all as set forth in the following amortization schedule:

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2013			\$25,483.33	\$25,483.33	\$25,483.33
02/01/2014			139,000.00	139,000.00	
08/01/2014	\$546,392.90	2.780%	139,000.00	685,392.90	824,392.90
02/01/2015			131,405.14	131,405.14	
08/01/2015	561,582.60	2.780%	131,405.14	692,987.74	824,392.88
02/01/2016			123,599.14	123,599.14	
08/01/2016	577,194.60	2.780%	123,599.14	700,793.74	824,392.88
02/01/2017			115,576.14	115,576.14	
08/01/2017	593,240.60	2.780%	115,576.14	708,816.74	824,392.88
02/01/2018			107,330.09	107,330.09	
08/01/2018	609,732.70	2.780%	107,330.09	717,062.79	824,392.88
02/01/2019			98,854.81	98,854.81	
08/01/2019	626,683.30	2.780%	98,854.81	725,538.11	824,392.92

02/01/2020			90,143.91	90,143.91	
08/01/2020	644,105.10	2.780%	90,143.91	734,249.01	824,392.92
02/01/2021			81,190.85	81,190.85	
08/01/2021	662,011.20	2.780%	81,190.85	743,202.05	824,392.90
02/01/2022			71,988.89	71,988.89	
08/01/2022	680,415.10	2.780%	71,988.89	752,403.99	824,392.88
02/01/2023			62,531.12	62,531.12	
08/01/2023	699,330.60	2.780%	62,531.12	761,861.72	824,392.84
02/01/2024			52,810.43	52,810.43	
08/01/2024	718,772.00	2.780%	52,810.43	771,582.43	824,392.86
02/01/2025			42,819.50	42,819.50	
08/01/2025	738,753.90	2.780%	42,819.50	781,573.40	824,392.90
02/01/2026			32,550.82	32,550.82	
08/01/2026	759,291.20	2.780%	32,550.82	791,842.02	824,392.84
02/01/2027			21,996.67	21,996.67	
08/01/2027	780,399.50	2.780%	21,996.67	802,396.17	824,392.84
02/01/2028			11,149.12	11,149.12	
08/01/2028	802,094.70	2.780%	11,149.12	813,243.82	824,392.94
10,000,000.00			2,391,376.59	12,391,376.59	12,391,376.59

In the event of a discrepancy between the computation of interest on the Series 2013-C Bond as described above and the amortization schedule set forth above, the payments due under the amortization schedule shall control.

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

**Section 3.2 Optional Redemption.** The University shall have the right to redeem and retire the Series 2013-C Bond, in whole or in part (but, if in part, in multiples of \$5,000 with those installments of principal to be redeemed to be selected by the University at its discretion), on June 1, 2023, and on any date thereafter, upon not less than 10 days' prior written notice to the Purchaser (with a copy to the Trustee), at and for a redemption price equal to 100% of the principal hereof to be redeemed plus accrued interest to the date set for redemption.

**Section 3.3 Method of Payment.** Principal installments of the Series 2013-C Bond shall be payable when due at the designated corporate trust office of the Trustee in the City of Birmingham, Alabama. Interest on the Series 2013-C Bond shall be payable by check or draft mailed or otherwise delivered by the Trustee to the Purchaser at its addresses as it appears on the registry books of the Trustee pertaining to the registration of the Series 2013-C Bond; provided, that the final payment of such principal and interest that is due on August 1, 2033, shall be made only upon surrender of the Series 2013-C Bond to the Trustee. All installments of principal of and interest on the Series 2013-C Bond shall bear interest after the respective maturities of such principal and interest until paid or until moneys sufficient for payment thereof shall have been deposited for that purpose with the Trustee, whichever first occurs, at the rate of interest borne by the Series 2013-C Bond.

**Section 3.4 Form of Series 2013-C Bond.** The Series 2013-C Bond and the Trustee's Authentication Certificate shall be in substantially the following forms, respectively, with such insertions, omissions and other variations as may be necessary to conform to the provisions hereof:

**THIS SERIES 2013-C BOND MAY BE TRANSFERRED ONLY TO AN "ACCREDITED INVESTOR" AS DEFINED IN THE SECURITIES AND EXCHANGE ACT OF 1933 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE INDENTURE REFERRED TO HEREIN.**

**UNITED STATES OF AMERICA**

**STATE OF ALABAMA**

**UNIVERSITY OF SOUTH ALABAMA**

**University Facilities Revenue Capital Improvement Bond  
Series 2013-C**

For value received, the **UNIVERSITY OF SOUTH ALABAMA**, a public body corporate under the laws of the State of Alabama (herein called the "University"), will pay, solely from the sources hereinafter referred to, to **COMPASS MORTGAGE CORPORATION** (the "Purchaser"), the principal sum of **TEN MILLION DOLLARS (\$10,000,000)**, in annual installments at the times, in the amounts and as set forth below.

The principal hereof shall mature and become payable in annual installments on August 1 in the years and amounts shown below, and interest shall be payable on August 1, 2013, and on each February 1 and August 1 thereafter (each, a "Interest Payment Date") (provided, however, that the final payment of the principal hereof and interest hereon due on August 1, 2028, shall be made only upon the surrender of this bond at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., in the City of Birmingham, Alabama, or its successor as trustee under the Indenture), at the per annum rate equal to 2.780%, computed on a 360 day year of 12 consecutive 30-day months, all as set forth in the following amortization schedule:

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
08/01/2013			\$25,483.33	\$25,483.33	\$25,483.33
02/01/2014			139,000.00	139,000.00	
08/01/2014	\$546,392.90	2.780%	139,000.00	685,392.90	824,392.90
02/01/2015			131,405.14	131,405.14	
08/01/2015	561,582.60	2.780%	131,405.14	692,987.74	824,392.88
02/01/2016			123,599.14	123,599.14	
08/01/2016	577,194.60	2.780%	123,599.14	700,793.74	824,392.88
02/01/2017			115,576.14	115,576.14	
08/01/2017	593,240.60	2.780%	115,576.14	708,816.74	824,392.88
02/01/2018			107,330.09	107,330.09	
08/01/2018	609,732.70	2.780%	107,330.09	717,062.79	824,392.88



02/01/2019			98,854.81	98,854.81	
08/01/2019	626,683.30	2.780%	98,854.81	725,538.11	824,392.92
02/01/2020			90,143.91	90,143.91	
08/01/2020	644,105.10	2.780%	90,143.91	734,249.01	824,392.92
02/01/2021			81,190.85	81,190.85	
08/01/2021	662,011.20	2.780%	81,190.85	743,202.05	824,392.90
02/01/2022			71,988.89	71,988.89	
08/01/2022	680,415.10	2.780%	71,988.89	752,403.99	824,392.88
02/01/2023			62,531.12	62,531.12	
08/01/2023	699,330.60	2.780%	62,531.12	761,861.72	824,392.84
02/01/2024			52,810.43	52,810.43	
08/01/2024	718,772.00	2.780%	52,810.43	771,582.43	824,392.86
02/01/2025			42,819.50	42,819.50	
08/01/2025	738,753.90	2.780%	42,819.50	781,573.40	824,392.90
02/01/2026			32,550.82	32,550.82	
08/01/2026	759,291.20	2.780%	32,550.82	791,842.02	824,392.84
02/01/2027			21,996.67	21,996.67	
08/01/2027	780,399.50	2.780%	21,996.67	802,396.17	824,392.84
02/01/2028			11,149.12	11,149.12	
08/01/2028	802,094.70	2.780%	11,149.12	813,243.82	824,392.94
10,000,000.00			2,391,376.59	12,391,376.59	12,391,376.59

In the event of a discrepancy between the computation of interest as described above and this amortization schedule, the payments due under this amortization schedule shall control.

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

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

This bond is herein entitled "University Facilities Revenue Capital Improvement Bond, Series 2013-C" and has been issued under a University Facilities Revenue Trust Indenture dated as of February 15, 1996, as heretofore supplemented and amended and as further supplemented and amended by a Ninth Supplemental University Facilities Revenue Trust Indenture dated June 28, 2013 (the said Trust Indenture, as so supplemented and amended, being herein called the "Indenture"), between the University and The Bank of New York Mellon Trust Company, N.A. (herein called the "Trustee"). The principal of and the interest on this bond are

payable solely out of and are secured by a lien upon and pledge of (a) certain fees from students levied by the University, (b) the gross revenues derived from certain auxiliary enterprises services furnished by the University, including, food services, housing, college stores, dining, concessions and other similar services, as such revenues are shown as a separate item on the audited financial statements of the University, and (c) an amount not exceeding \$10,000,000 in any fiscal year of the University of the gross revenues derived from that certain hospital facility owned and operated by the University and known as USA Children's and Women's Hospital (herein called the "Pledged Revenues"), and shall not be payable from any other funds or revenues, on a parity of lien with (1) the University's (a) \$40,130,000.70 original principal amount University Tuition Revenue Bonds, Series 1999, dated March 1, 1999, (b) \$51,080,000 original principal amount Tuition Revenue Refunding and Capital Improvement Bonds, Series 2004, dated March 15, 2004, (c) \$100,000,000 original principal amount University Tuition Refunding and Capital Improvement Bonds, Series 2006, dated December 1, 2006, (d) \$112,885,000 original principal amount University Facilities Revenue Capital Improvement Bonds, Series 2008, dated September 1, 2008, (e) \$29,750,000 University Facilities Revenue Capital Improvement Bond, Series 2010, dated June 16, 2010, (f) \$25,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-A, dated January 4, 2012, (g) \$7,740,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2012-B, dated January 4, 2012, (h) \$32,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-A, to be dated June 28, 2013, and (i) \$8,000,000 original principal amount University Facilities Revenue Capital Improvement Bond, Series 2013-B, to be dated June 28, 2013, which the University will issue and deliver on the date on which this bond is issued and delivered; and (2) any Additional Bonds hereafter issued pursuant to Article VIII of the Indenture.

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

of any installment of principal or interest on any of the Bonds, make any change in the schedule of required sinking fund or other similar payments with respect to any series of the Bonds, create a lien or charge on the Pledged Revenues ranking prior to or (except in connection with the issuance of additional parity bonds under the Indenture) on a parity with the lien or charge thereon contained in the Indenture, effect a preference or priority of any Bond over any other Bond or reduce the aggregate principal amount of Bonds the holders of which are required to consent to any such amendment.

The principal of this bond shall be subject to redemption and payment by the University, at the option of the University, as a whole or in part, on June 1, 2023, and on any date thereafter (but, if in part, in multiples of \$5,000 with those installments of principal to be redeemed to be selected by the University at its discretion), upon not less than 10 days' prior written notice to the Purchaser (with a copy to the Trustee), at and for a redemption price equal to 100% of the principal hereof to be redeemed plus accrued interest to the date fixed for redemption.

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

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

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

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

**IN WITNESS WHEREOF**, the University has caused this bond to be executed in its name and behalf with the signature of its Acting President, has caused a facsimile of its corporate seal to be hereunto imprinted, has caused this bond to be attested by the signature of the Secretary of its Board of Trustees, and has caused this bond to be dated June 28, 2013.

**UNIVERSITY OF SOUTH ALABAMA**

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

Acting President  
University of South Alabama

[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

**Section 3.5 Execution and Delivery of the Series 2013-C Bond.** The Series 2013-C Bond shall be forthwith executed and delivered to the Trustee and shall be authenticated and delivered by the Trustee from time to time upon receipt by the Trustee of an order signed on behalf of the University by its President or Acting President, as the case may be, requesting such authentication and delivery and designating the person or persons to receive the same or any part thereof.

**Section 3.6 Application of Proceeds from the Sale of the Series 2013-C Bond.** The entire proceeds from the sale of the Series 2013-C Bond shall be applied as follows:

(i) the sum of \$434,888.47 shall be deposited into a special fund or account of the University and used to pay interest on the Series 2013-C Bond through and including February 1, 2015, and

(ii) the balance (\$9,565,111.53) shall be deposited into a special fund or account of the University and used to pay a portion of the costs of the 2013-B/C Improvements and the costs of bond counsel to the University, the financial advisor to the University, and the fees of the Trustee, in connection with the issuance of the Series 2013-C Bond.

**ARTICLE IV**  
**CONCERNING THE CODE**

**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 2013 Bonds. Accordingly, the University agrees that it will continually comply with all requirements imposed by the Code as a condition to the exemption from federal income taxation of the interest income on the Series 2013 Bonds. With respect to any question arising under this Section 4.1, the University may rely upon an opinion of nationally recognized bond counsel acceptable to it.

(b) **Series 2013-A Bond not to fail to be a "Qualified 501(c)(3) Bond".** The University will not apply the proceeds of the Series 2013-A Bond or permit any use of the 2013-A Improvements in any manner that would cause the Series 2013-A Bond to fail to be a "qualified 501(c)(3) bond" within the meaning of Section 145(a) of the Code, unless the University has delivered to the holder of the Series 2013-A Bond an opinion of bond counsel to the University to the effect that such application will not cause interest on the Series 2013-A Bond to become included in gross income of the recipient thereof for federal or State of Alabama income tax purposes.

(c) **Series 2013-B Bond and Series 2013-C Bond not to be "Private Activity Bonds".** The University will not apply the proceeds of the Series 2013-B Bond and the Series 2013-C Bond in any manner that would cause the Series 2013-B Bond or the Series 2013-C Bond to be a "private activity bond" within the meaning of Section 141(a) of the Code.

(d) **Concerning the Arbitrage Provisions of the Code.** The University agrees that it will comply with all provisions of the Code necessary to preclude each series of the Series 2013 Bonds being considered an "arbitrage bond" within the meaning of Section 148 of the Code.

(e) **Provisions Respecting Registration of Series 2013 Bonds to Comply with Provisions of Code.** The University and the Trustee recognize that the provisions of the Code require that each of the Series 2013 Bonds be in "registered form" and that, in general, each of the Series 2013 Bonds must be registered as to both principal and interest and any transfer of the Series 2013 Bonds, or any of them, 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 of the same series 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 2013 Bonds, or any of them.

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

**Section 5.1 Confirmation of Indenture.** All the terms, covenants and conditions of the Indenture, as supplemented hereby, are hereby in all respects ratified and confirmed, and the Indenture as so supplemented shall continue in full force and effect. In addition, each of the Trustee and the University confirms that the Trustee shall have no duties, express or implied, respecting the proceeds of the Series 2013 Bonds during any time when the Trustee is not the depository of such amounts or respecting any other construction funds established under the Indenture for which the Trustee is not the depository.

**Section 5.2 Confirmation of Pledges.** The provisions of the Indenture, wherein the Pledged Revenues are pledged for payment of all Bonds issued under the Indenture, are hereby ratified and confirmed.

**Section 5.3 Construction of Ninth Supplemental University Facilities Revenue Trust Indenture.** No provisions of this Ninth 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 Ninth Supplemental University Facilities Revenue Trust Indenture be construed in any manner inconsistent with the provisions of the Indenture or in any manner that would adversely affect the interest of the Purchaser as holder of the Series 2013 Bonds.

**Section 5.4 Authorized Denominations.** Each of the Series 2013 Bonds may have principal maturities in denominations of any amount.

**Section 5.5 Special Covenants In Favor of Purchaser.** (a) So long as any of the 2013 Bonds remain outstanding, the University shall provide the Purchaser the following:

(i) Audited financial statements of the University within 150 days following the close of each fiscal year of the University, commencing with the fiscal year ending September 30, 2013;

(ii) quarterly financial statements of the University within 90 days following the close of each fiscal quarter of the University, commencing with the fiscal quarter ending June 30, 2013; and

(iii) the annual budget for the University by October 31 of each year, commencing October 31, 2013.

(b) The special funds and accounts of the University described in Section 1.6, Section 2.6, and Section 3.6 hereof shall be established and held with the Purchaser.

**Section 5.6 Severability.** In the event that any provision hereof shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, the University has caused this Ninth Supplemental University Facilities Revenue Trust Indenture to be executed in its name and behalf by the Acting President of the University, has caused its corporate seal to be hereunto affixed, and has caused this Ninth Supplemental University Facilities Revenue Trust Indenture to be attested by the Secretary of its Board of Trustees, and the Trustee has caused this Ninth Supplemental University Facilities Revenue Trust Indenture to be executed in its name and behalf, has caused its corporate seal to be hereunto affixed and has caused this Ninth Supplemental University Facilities Revenue Trust Indenture to be attested, all by its duly authorized officers, and the University and the Trustee have caused this Ninth Supplemental University Facilities Revenue Trust Indenture to be so executed in several counterparts, each of which shall be deemed an original, and have caused this Ninth Supplemental University Facilities Revenue Trust Indenture to be dated June 28, 2013.

**UNIVERSITY OF SOUTH ALABAMA**

By: \_\_\_\_\_  
Acting President

[ S E A L ]

Attest:

\_\_\_\_\_  
Secretary of the Board of Trustees

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

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

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

[ S E A L ]

Attest:

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

STATE OF ALABAMA

COUNTY OF MOBILE

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

GIVEN under my hand and official seal of office, this 28<sup>th</sup> day of June, 2013.

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Notary Public

[NOTARIAL SEAL]



STATE OF ALABAMA                    )  
  :  
COUNTY OF MOBILE                 )

I, \_\_\_\_\_, a Notary Public in and for said county in said state, hereby certify that Stuart Statham, whose name as Vice President of **THE BANK OF NEW YORK MELLON TRUST COMPANY, N. A.**, in its capacity as Trustee under that certain Trust Indenture dated as of February 15, 1996, between it and the University of South Alabama, as supplemented, 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 28<sup>th</sup> day of June, 2013.

\_\_\_\_\_  
Notary Public

[NOTARIAL SEAL]