

**UNIVERSITY OF SOUTH ALABAMA
BOARD OF TRUSTEES**

SPECIAL MEETING

**OCTOBER 5, 2021
12:00 P.M.**

**FREDERICK P. WHIDDON ADMINISTRATION BLDG.
SUITE 130, BOARD ROOM**

*In compliance with University policies governing social distancing
and other COVID-19 protocol, in-person attendance will be limited.*

*Public access will be available via YouTube livestream
(link will be active on the following web page 5 minutes prior to the meeting):
<https://www.southalabama.edu/departments/trustees/agendas/2021/>*

- 1** Roll Call
- 2** Opening Remarks
- 2.A** Approve Revised Agenda
- 2.B** Approve Rent Supplement Agreement
- 3** Executive Session
- 3.A** Approve Slate of President Candidates
- 4** Closing Remarks



UNIVERSITY OF SOUTH ALABAMA

MEMORANDUM

Finance and Administration

DATE: October 4, 2021

TO: Interim President John Smith

A handwritten signature in black ink, appearing to be 'JA', written over the name 'Interim President John Smith'.

FROM: G. Scott Weldon

A handwritten signature in black ink, appearing to be 'Scott', written over the name 'G. Scott Weldon'.

SUBJECT: Resolution to Authorize a Rent Supplement Agreement by the University for the Development of a Medical Office Building in Connection with USA Health Operations

Attached is a resolution for consideration by the Board of Trustees concerning the University's Rent Supplement Agreement with USA HCA (the "Tenant"), Family Medical Investments, LLC (the "Landlord"), and TheFirst Bank (the "Bank").

Under this agreement the University shall agree to make payments to the Landlord if Tenant fails to make timely payments of Annual Base Rent or Additional Rent under the Lease Agreement or make payment of the Remaining Leasehold Payment Obligation under the Ground Lease.

With your consent, this item will be presented to the Board of Trustees for discussion and approval. Further, I recommend the adoption of the resolution by the Board of Trustees.

Attachment

**A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF A
RENT SUPPLEMENT AGREEMENT
BY THE UNIVERSITY OF SOUTH ALABAMA
RESPECTING DEVELOPMENT OF MEDICAL OFFICE BUILDING USED IN
CONNECTION WITH USA HEALTH OPERATIONS**

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:

(a) On May 2, 2017, the University formed the University of South Alabama Health Care Authority (the "USA HCA"), a public corporation organized pursuant to Section 16-17A-1 *et seq.* of the Code of Alabama 1975, as amended (the "Enabling Law"), for the promotion and enhancement of health care services and operations offered through USA Health; and

(b) Pursuant to that certain lease from the Fairhope Single Tax Corporation recorded as Instrument No. 1856964 in the Probate Office of Baldwin County, Alabama (the "MAPP Property Lease"), USA has a long-term leasehold interest in certain real property located in Baldwin County, Alabama and known as Lot 1 of the USA MAPP Subdivision recorded at Slide 2740-E, Probate Office of Baldwin County, Alabama (the "Campus"), upon which the University has determined to cause certain health care operations and activities of USA Health and the USA HCA to be located; and

(c) USA HCA has undertaken to attract and locate a physicians' group to join USA HCA, and in connection therewith has determined to enter a Whole Building Lease Agreement (the "MOB Agreement") with Family Medical Investments, LLC, an Alabama limited liability company (the "Group"), under and pursuant to which the Group will cause to be designed, constructed, and developed an approximately 51,000 square foot facility (the "Medical Office Building") for lease to USA Health for a period of fifteen (15) years, with at least two (2) five (5) year options to extend; and

(d) the Medical Office Building will be constructed on a portion of the Campus (the "MOB Parcel") more particularly described in a MOB Ground Lease and Development Agreement to be entered between the Group and USA HCA (the "MOB Ground Lease") for a term of fifty (50) years, subject to two additional ten (10) year options to extend; and

(e) Under the MOB Agreement, USA HCA shall be obligated to pay rent in the form of fixed annual payments of "Base Rent" and additional payments covering all expenses of the Medical Office Building (including without limitation, operating, insurance, repair and maintenance costs) known as

"Additional Rent", all of which is defined and more particularly described in the MOB Agreement, and, upon the occurrence of certain events, to pay the "Remaining Leasehold Payment Obligation" as defined and more particularly described in the MOB Ground Lease; and

(f) In order to promote USA Health's operations and provision of health care services in Baldwin County, Alabama, and to obtain a necessary facility for USA Health's operations through the development of the Medical Office Building by the Group while also protecting the integrity and use of the property of the University made available under the MAPP Property Lease, the University has determined it to be necessary, desirable, and in the public interest to enter a Rent Supplement Agreement among the University, the Group, USA HCA, and The First, a National banking association (the construction lender to the Group), in substantially the form attached hereto as Exhibit A and with such changes and modifications as shall be agreed to by the President of the University and/or the Vice President for Finance and Administration of the University (herein called the "Rent Supplement Agreement"), pursuant to which USA HCA shall agree to use its revenues for payment of Base Rent, Additional Rent, and the Remaining Leasehold Payment Obligation, and in the event USA HCA does not timely make the full amount of such payments the University will remit and pay the balance, all as more particularly described and set forth in the Rent Supplement Agreement; and

(g) The University hereby declares and finds that the covenants and agreements of the University under the Rent Supplement Agreement enable the University to protect the use of property subject to the MAPP Property Lease and to assure continued control and use of the property defined in the MAPP Property Lease by the University.

Section 2. Authorization. The President of the University is hereby authorized and directed to execute and deliver, on behalf of the University, the Rent Supplement Agreement presented to the meeting at which this resolution is adopted, which is hereby adopted in all respects as if set out in full in this resolution, with such changes, completions, modifications, additions and deletions as may in each case be approved by the President of the University and the Vice President for Finance and Administration of the University, or either of them. The Vice President for Finance and Administration of the University is hereby authorized to sign and deliver the Rent Supplement Agreement on behalf of the University in the event the President of the University is unavailable for such purpose.

Section 3. General Authorization. The President of the University, the Vice President for Finance and Administration of the University, and the Secretary of the Board are hereby authorized to execute such further agreements, certifications, instruments, notices, orders, releases, consents, or other documents (collectively, "Additional Instruments"), containing such terms as such officer (or any of them) shall approve, and to take such other actions as any of them may deem appropriate or necessary, for the consummation of the transactions covered by this resolution and to the end that the Medical Office Building may be designed, developed,

constructed and made available to USA HCA as herein contemplated and as contemplated under the MOB Agreement, and so the Rent Supplement Agreement may be executed and delivered by the University. The Secretary and any Assistant Secretary of the Board, or either of them, are hereby authorized and directed to affix the official seal of the Board to such Additional Instruments and to attest the same, and to the Rent Supplement Agreement and to attest the same.

EXHIBIT A
FORM OF RENT SUPPLEMENT AGREEMENT

RENT SUPPLEMENT AGREEMENT

This **RENT SUPPLEMENT AGREEMENT** is dated _____, 2021 (the "Effective Date") and is entered into by and among the University of South Alabama ("USA"), the University of South Alabama Health Care Authority (the "Tenant"), Family Medical Investments, LLC, an Alabama limited liability company (the "Landlord"), and TheFirst, a National Banking Association (the "Bank").

RECITALS

WHEREAS, USA operates a medical and healthcare enterprise under USA Health, a division of USA ("USA Health"), the facilities for which are located on the campus of USA; and

WHEREAS, USA has heretofore organized and incorporated the Tenant in order to administer and execute certain USA Health functions and operations, all for the overall benefit of USA; and

WHEREAS, pursuant to that certain lease from the Fairhope Single Tax Corporation recorded as Instrument No. 1856964 in the Probate Office of Baldwin County, Alabama, and with a term ending September 8, 2119, USA has leased that certain real property located in Baldwin County, Alabama and known as Lot 1 of the USA MAPP Subdivision recorded at Slide 2740-E, Probate Office of Baldwin County, Alabama (the "Campus"), on which Tenant and its Affiliates intend to develop a medical park; and

WHEREAS, pursuant to that certain Sublease of even date herewith, USA has subleased all of the Campus to Tenant for a term ending September 7, 2119; and

WHEREAS, the Tenant has determined it to be necessary, wise, and in the public interest to cause to be designed, developed, constructed and installed on certain real property located on the Campus an approximately 51,000 square foot facility (the "Medical Facility"), primarily to house certain health care operations and activities of USA Health and, further, for certain operations and activities of the Tenant; and

WHEREAS, in furtherance thereof, and conditioned on USA's agreement to enter into this Rent Supplement Agreement and provide the assurances and commitments herein, Landlord and Tenant have entered into that certain MOB Ground Lease and Development Agreement of even date herewith (the "MOB Ground Lease"), pursuant to which Tenant has leased that parcel located on the Campus and described in "Exhibit A" attached hereto and incorporated herein by reference (such parcel, the "MOB Parcel") to Landlord for a term ending in fifty (50) years, subject to two additional ten (10) year options to extend; and

WHEREAS, pursuant to the Ground Lease, Landlord will cause the Medical Facility to be designed, developed, constructed, equipped and installed on the MOB Parcel, at the sole cost and expense of Landlord; and

WHEREAS, conditioned on USA's agreement to enter into this Rent Supplement Agreement and provide the assurances and commitments herein, Landlord and Tenant are entering into that certain Whole Building Lease Agreement of even date herewith (the "Lease Agreement"), pursuant to which Landlord is leasing the entire Medical Facility to Tenant (upon its completion) for a term of fifteen (15) years with two (2) options to renew for five (5) years each; and

WHEREAS, under the Lease Agreement, the Tenant is responsible for various obligations, including, without limitation, the payment of "Annual Base Rent" and "Additional Rent" (as such terms are defined in the Lease Agreement and which terms, as used herein, shall have the meanings ascribed to them in the Lease Agreement); and

WHEREAS, under the MOB Ground Lease, the Tenant (as landlord thereunder) is responsible for various obligations, including, without limitation, (i) under paragraph (g) of Exhibit B, under certain circumstances, Tenant has the right to purchase the MOB Improvements (as such term is defined therein) on the terms and conditions stated therein (the "MOB Improvements Purchase Obligation"), and (ii) under Section 12.2(c) and Section 36, under certain circumstances, Tenant is required to pay the Remaining Leasehold Value (as such term is defined therein) on the terms and conditions stated therein (in either case, the "Remaining Leasehold Payment Obligation"); and

WHEREAS, the Bank is making one or more loans to Landlord on or around the Effective Date hereof to fund part of the costs of designing, developing, constructing, equipping and installing, as the case may be, the Medical Facility (any such loan or loans, collectively, the "Loan"); and

WHEREAS, in order to preserve and safeguard certain rights of the Tenant to the MOB Parcel for the Medical Facility, and to cause the Medical Facility to be financed at a reasonable rate, it is necessary, desirable and in the interest of USA to enter this Rent Supplement Agreement, under which USA shall agree to make payments to Landlord if Tenant fails to make timely payments of any installments of Annual Base Rent or Additional Rent under the Lease Agreement or make payment of the Remaining Leasehold Payment Obligation under the MOB Ground Lease.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto hereby covenant and agree as follows:

Section 1. Obligation of Tenant to Use and Apply Revenues; Obligation of Payment of USA Rent Supplement Obligation.

(a) Tenant hereby covenants and agrees to USA that Tenant will use and apply all revenues of Tenant first for the timely payment of all amounts owed to Landlord under the Lease Agreement and for the timely payment of the Remaining Leasehold Payment Obligation, if any, due under the MOB Ground Lease. To induce the Landlord to cause the Medical Facility to be financed and constructed on the Campus and leased to the Tenant under the Lease Agreement for the operation and execution of certain health care operations of USA

(under its USA Health enterprise) and of Tenant, and to induce the Bank to make the Loan to Landlord to finance the Medical Facility, and to induce Landlord to enter into the MOB Ground Lease, all of which is to the direct business and operating interests and advantage of USA in the management, protection and administration of its assets, properties and facilities, USA hereby agrees to remit and pay to Landlord the full amount of Annual Base Rent or Annual Additional Rent under the Lease Agreement, and the full amount of the Remaining Leasehold Payment Obligation under the MOB Ground Lease, when and as due, if for whatever reason not timely paid by Tenant (such payment obligation herein collectively called the "USA Rent Supplement Obligation").

(b) The obligation of USA to pay the USA Rent Supplement Obligation shall be secured by the full faith and credit of USA, and shall be payable from any and all funds legally available to USA for such purpose.

(c) USA acknowledges that the Lease Agreement will be assigned to the Bank as collateral security for the Loan.

(d) In the event USA receives written notice from the Bank to remit such payments directly to the Bank, USA agrees to remit such payments directly to the Bank, until such time as the Bank provides written notice to remit future payments to Landlord. During any such time that payments are remitted directly to the Bank, USA shall be relieved of any obligation hereunder to the Landlord for such payment made to the Bank.

Section 2. Unconditional Obligation of USA. This Rent Supplement Agreement is a continuing and unconditional obligation of payment and performance, and not of collection. The obligations, covenants and agreements of USA under this Rent Supplement Agreement shall be absolute, unconditional and irrevocable, and USA hereby separately covenants and agrees to timely pay in full in strict accordance herewith all amounts which may become due and owing hereunder, and to timely observe and perform all other agreements and covenants to be observed and performed by USA hereunder. Such payment, observance and performance of all obligations hereunder shall not be affected by the following:

(i) any lack of validity or enforceability of the Lease Agreement or MOB Ground Lease;

(ii) the existence of any claim, set-off, defense or other rights which USA may have at any time against any person, whether in connection with this Rent Supplement Agreement or otherwise; and

(iii) any other circumstance or happening whatsoever, whether or not similar to any of the foregoing.

Section 3. Modifications of Lease Agreement. USA consents and agrees that the Tenant and the Landlord may, from time to time, upon written agreement between the Tenant, the Landlord and the Bank, as the case may be, without affecting, impairing, lessening or releasing the obligations of USA hereunder:

(i) extend or modify the time, manner, place or terms of payment of performance and/or otherwise change or modify the terms of the Lease Agreement or the MOB Ground Lease, except as provided in paragraph (k) of Section 7;

(ii) renew or enter into a novation of the Lease Agreement or MOB Ground Lease;
and

(iii) waive or consent to the departure from terms of the Lease Agreement or MOB Ground Lease.

Section 4. Financial Condition and Accreditation. USA represents and covenants to the Landlord, the Tenant, and the Bank that, on and after the date hereof:

(i) all audited financial statements of USA as of any fiscal year ended September 30 furnished to the Landlord, the Tenant and the Bank shall be materially correct and accurately reflect the financial condition of USA as of the respective dates thereof;

(ii) since the date of its audited financial statements for the fiscal year ended September 30, 2020, there has not occurred a material adverse change in the financial condition of USA;

(iii) there are not now pending any court or administrative proceedings or undischarged judgments against USA which represent a material threat to the financial position of USA, no federal or state tax liens have been filed or threatened against USA, and USA is not in default or claimed default under any agreement;

(iv) USA is an accredited member of the Southern Association of Colleges and Schools; and

(v) at such reasonable times as the Landlord, the Tenant, or the Bank requests, USA will furnish such party with such audits and other financial and accreditation information as such party may reasonably request, subject however to federal and state laws mandating the privacy of such records.

Section 5. Default. If any of the following events occur, a default ("Default") under this Rent Supplement Agreement shall exist:

(i) failure of timely payment in full of any installment of Annual Base Rent or Additional Rent due to Landlord under the Lease Agreement;

(ii) failure of the timely payment in full of MOB Improvements Purchase Obligation or the Remaining Leasehold Payment Obligation under the MOB Ground Lease;

(iii) a breach of any material agreement or representation on the part of USA

contained in this Rent Supplement Agreement;

(iv) a breach of any material agreement or representation on the part of Tenant contained in this Rent Supplement Agreement; or

(v) the dissolution of, termination of existence of, loss of good standing status by, appointment of a receiver for, assignment for the benefit of creditors of, or the commencement of any insolvency or bankruptcy proceeding by or against USA or Tenant.

Section 6. Remedies Upon a Default. USA, the Landlord, the Tenant and the Bank agree as follows:

(i) If a Default occurs, the Tenant shall notify the Landlord and the Bank of any such Default;

(ii) USA shall have thirty (30) days following notice given to it by Tenant, Landlord or the Bank of such Default to cure such default to the satisfaction of the Tenant, the Landlord and the Bank; and

(iii) In the event that such Default has not been cured within the above-described 30-day period, then each of the Tenant, the Landlord and the Bank shall have all rights and remedies available to it under Alabama law for the enforcement of its rights under this Rent Supplement Agreement, including, without limitation, those that may be assigned to it.

Section 7. Miscellaneous.

(a) This Rent Supplement Agreement shall inure to the benefit of and be binding upon the parties and their respective permitted heirs, legal representatives, successors and assigns. Neither Tenant nor USA may assign this Rent Supplement Agreement or their rights and obligations herein. Landlord may assign this Rent Supplement Agreement in connection with any assignment of the Lease Agreement to the assignee thereof. Bank may assign this Rent Supplement Agreement in connection with any sale or other transfer of the Loan to the purchaser (or other assignee) thereof. For the avoidance of doubt, it is the intent of the parties that, and the parties agree that: (i) Landlord, Bank and Tenant shall have joint and several rights of enforcement of this Agreement against USA and to all remedies provided hereunder or applicable law against USA, and (ii) Landlord and Bank shall have joint and several rights of enforcement of this Agreement against Tenant and to all remedies provided hereunder or applicable law against Tenant. No rights afforded Tenant above or herein as against USA shall in any way diminish or impair the obligations of Tenant under the Lease Agreement. Notwithstanding the foregoing prohibition on assignment by Tenant, Tenant's interests in and rights under this Rent Supplement Agreement, including, without limitation, the performance of the USA Rent Supplement Obligation are freely assignable, in whole or in part, by Tenant to the Landlord and the Bank, as the case may be. Tenant will give USA written notice prior to any assignment of this Rent Supplement Agreement or any obligation of USA hereunder. Any assignment shall not release USA or Tenant from its obligations hereunder.

(b) USA hereby represents and warrants that it:

(i) is a body corporate and politic under the laws of the State of Alabama;

(ii) has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated;

(iii) has the power and authority to execute, deliver and perform, and by all necessary action has authorized the execution, delivery and performance of all of its obligations under this Rent Supplement Agreement; and

(iv) is an affiliate of Tenant, and that it will substantially benefit from Landlord's agreement to enter into the Lease Agreement with Tenant, and that USA's entering into this Rent Supplement Agreement is a condition precedent to Landlord's entering into the Lease Agreement.

(c) This Rent Supplement Agreement shall be governed by and construed under the laws of the State of Alabama. If the terms of this Rent Supplement Agreement should conflict with the terms of any commitment letter that survives closing, the terms of this Rent Supplement Agreement shall control.

(d) If any provision of this Rent Supplement Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective but only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Rent Supplement Agreement.

(e) Any notices to USA shall be sufficiently given if in writing and mailed or delivered to USA's address shown below. In the event that USA changes USA's address at any time prior to the date that both the Lease Agreement and MOB Ground Lease have expired or earlier terminated, USA agrees to promptly give written notice of said change of address to the Landlord, the Tenant and the Bank by registered or certified mail, return receipt requested, all charges prepaid.

If to USA:

University of South Alabama
University Boulevard
Administration Building, Room 380
Mobile, Alabama 36688
Attn: Kristin Daniels Dukes, General Counsel
University of South Alabama

If to the Tenant:

University of South Alabama Health Care Authority

2451 University Hospital Drive, Suite 2-110
Mobile, Alabama 36688
Attn: William B. Grete, Chief Legal Counsel, USA Health

If to the Landlord:

Family Medical Investments, LLC
401 Clubhouse Drive
Fairhope, Alabama 36532
Attn: Chuck Kirkland, M.D., Manager

If to the Bank:

TheFirst
10021 Highway 31
Spanish Fort, Alabama 36527
Attn: Mason Howell, Commercial Lender

(f) All references herein to any landlord, tenant, bank, person, document or other nouns of reference mean both the singular and plural form, as the case may be, and the term "person" shall mean any individual person or entity.

(g) Each of the parties hereto, by execution of and acceptance of this Rent Supplement Agreement, agrees that each party is bound to all terms and provisions of this Rent Supplement Agreement.

(h) No waivers, amendments or modifications of this Rent Supplement Agreement shall be valid unless in writing and signed by an authorized officer of USA, the Tenant, the Landlord and the Bank. No waiver by the Landlord, the Tenant or the Bank of any Default shall operate as a waiver of any other Default or the same Default on a future occasion. Neither the failure nor any delay on the part of the Landlord, the Tenant or the Bank in exercising any right, power, or privilege granted pursuant to this Rent Supplement Agreement shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise or the exercise of any other right, power or privilege.

(i) EACH OF THE PARTIES HERETO AGREES THAT IN ANY JUDICIAL OR MEDIATION PROCEEDING OR ANY CLAIM OR CONTROVERSY BETWEEN OR AMONG THEM THAT MAY ARISE OUT OF OR BE IN ANY WAY CONNECTED WITH THIS RENT SUPPLEMENT AGREEMENT OR ANY OTHER AGREEMENT OR DOCUMENT BETWEEN OR AMONG THEM OR THE OBLIGATIONS EVIDENCED HEREBY OR RELATED HERETO, IN NO EVENT SHALL ANY PARTY HAVE A REMEDY OF, OR BE LIABLE TO THE OTHER FOR, (1) INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES OR (2) PUNITIVE OR EXEMPLARY DAMAGES. EACH OF THE PARTIES HEREBY EXPRESSLY WAIVES ANY RIGHT OR CLAIM TO PUNITIVE OR EXEMPLARY DAMAGES THEY MAY HAVE OR WHICH MAY ARISE IN THE FUTURE IN CONNECTION WITH ANY SUCH PROCEEDING, CLAIM OR CONTROVERSY, WHETHER THE SAME IS RESOLVED BY MEDIATION, JUDICIALLY

OR OTHERWISE.

(j) USA shall deliver to the Landlord, the Tenant, and the Bank such information as the Landlord, the Tenant, and the Bank, as the case may be, shall reasonably request from time to time, including without limitation, financial statements and information pertaining to USA's financial condition. Such information shall be true, complete, and accurate.

(k) Each of the Landlord and the Tenant covenants and agrees that it shall not amend, restate, modify, alter, or otherwise change the Lease Agreement or the MOB Ground Lease in any manner that materially increases the liability, amounts owed or that could be owed as USA Rent Supplement Obligation without first obtaining the prior written consent of USA, which such consent shall not be unreasonably withheld, conditioned or delayed by USA.

(l) This Rent Supplement Agreement represents the final agreement between the parties with respect to its subject matter and may not be contradicted by evidence of prior, contemporaneous, or subsequent agreements of the parties. There are no unwritten agreements between the parties.

(m) EACH OF THE PARTIES HERETO HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY ON ANY CLAIM, COUNTERCLAIM, SETOFF, DEMAND, ACTION OR CAUSE OF ACTION (A) ARISING OUT OF OR IN ANY WAY RELATED TO THIS RENT SUPPLEMENT AGREEMENT OR THE LEASE AGREEMENT, OR (B) IN ANY WAY CONNECTED WITH OR PERTAINING OR RELATED TO OR INCIDENTAL TO ANY DEALINGS OF LANDLORD AND/OR TENANT AND USA WITH RESPECT TO THE LEASE AGREEMENT OR IN CONNECTION WITH THIS RENT SUPPLEMENT AGREEMENT OR THE EXERCISE OF ANY PARTY'S RIGHTS AND REMEDIES UNDER THIS RENT SUPPLEMENT AGREEMENT OR OTHERWISE, OR THE CONDUCT OR THE RELATIONSHIP OF THE PARTIES HERETO, IN ALL OF THE FOREGOING CASES WHETHER NOW EXISTING OR HEREAFTER ARISING AND WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE.

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IN WITNESS WHEREOF, USA, the Landlord, the Tenant, and the Bank, on the day and year first written above, have caused this Rent Supplement Agreement to be duly executed under seal, by its duly authorized representative, all as of the Effective Date.

"USA"

University of South Alabama

By: _____

Its: _____

"Tenant"

University of South Alabama Health Care Authority

By: _____

Its: _____

"Landlord"

Family Medical Investments, LLC

By: _____

Its: _____

"Bank"

TheFirst, a National Banking Association

By: _____

Its: _____

EXHIBIT A

Description of MOB Parcel