

MINUTES OF RECONVENED MEETING OF THE
BOARD OF TRUSTEES
OF
AUBURN UNIVERSITY

JUNE 9, 2017

AGENDA
AUBURN UNIVERSITY BOARD OF TRUSTEES
JUNE 9, 2017

1. Approval of the Friday, April 7, 2017 Reconvened Meeting Minutes.
2. Awarding of Degrees
3. President's Report
4. Action Items and Committee Reports
- A. Academic Affairs/Chairperson Newton
 1. Proposed Degree Renamings in the College of Agriculture
 2. Proposed Placement on Inactive Status of the Master of Integrated Design and Construction
- B. Audit and Compliance Committee/Chairperson
 1. Approval of Independent Auditors for Fiscal Year Ended September 30, 2017
 2. Receipt of Code of Ethics Compliance Documents (Bob Dumas)
- C. Property and Facilities Committee/Chairperson Roberts
 1. Campus Utility System Expansion Electrical Distribution Improvements, Final Project Approval (Dan King/Jim Carroll)
 2. Woodfield Drive Traffic Light Easement (Dan King/Mark Stirling)
 3. Gulf Shores Education Center Lease
- D. Executive Committee/Chairperson DeMaioribus
 1. Election of Officer (Mike DeMaioribus)
 2. Proposed Awards and Namings
5. Recess Meeting

MINUTES OF A RECONVENED MEETING OF THE
AUBURN UNIVERSITY BOARD OF TRUSTEES
FRIDAY, JUNE 9, 2017
BALLROOM B-MARQUEE, AU HOTEL AND CONFERENCE CENTER
AUBURN UNIVERSITY

The Board of Trustees of Auburn University convened for a meeting on Friday, June 9 2017 in Ballroom B-Marquee of the Auburn University Hotel and Conference Center. President of the Board, Governor Kay Ivey convened the meeting at 8:30 a.m. by welcoming everyone with special remarks. Upon conclusion of the remarks, she asked the President Pro Tempore, Charles McCrary, to conduct the meeting. Upon roll call by Board Secretary Grant Davis, the following named members of the Board of Trustees were deemed to be in attendance:

Lloyd Austin, Mike DeMaioribus, Bob Dumas, Elizabeth Huntley, Raymond Harbert, Kay Ivey, Charles McCrary, Gaines Lanier, Sarah B. Newton, Jim Pratt, Jimmy Rane, Quentin Riggins, B.T. Roberts, Clark Sahlie, Jimmy Sanford, and Wayne Smith.

The individuals listed above represent all persons recognized as members of the Board of Trustees of Auburn University at the time of the meeting. Also sitting with the Board were Larry Teeter, Faculty Advisor (AU), Pamela Long, Faculty Advisor (AUM), and AU SGA President Jacqueline Keck. Other persons in attendance at the meeting included the following:

Jay Gogue, President; Don Large, Executive Vice President; Tim Boosinger, Provost of AU; Carl Stockton, Chancellor of AUM; Mirnal Varma, Provost of AUM; Lee Armstrong, General Counsel; Bobby Woodard, Vice President and Associate Provost for Student Affairs; Jane Parker, Vice President for Development; Gretchen VanValkenburg, Vice President for Alumni Affairs; Kelli Shomaker, Vice President for Business and Finance and Chief Financial Officer; Brian Keeter, Director of Public Affairs; Sherri Fulford, Executive Director of Governmental Affairs; Dan King, Associate Vice President for Facilities; Royrickers Cook, Vice President and Associate Provost for Outreach; Larry Fillmer, Executive Director of External Engagement and Support; Mike Clardy, Assistant Vice President of Communications and Marketing; Jim O'Conner, Chief Information Officer; Beau Byrd, President of the Auburn Alumni Association; Benny LaRussa, AU Foundation Board Vice Chair; James Goldstein, Chair, Auburn University Senate, and AU Faculty Representative, Academic Affairs Committee; Pia Knigge, President, AUM Faculty Senate; Dennis DeVries, AU Faculty Representative, Agriculture and Natural Resources Committee; Elizabeth Woodworth, AUM Faculty Representative, AUM Committee; Beverly Marshall, AU Faculty Representative, and Richard Turpen, AUM Faculty Representative, Finance Committee; James Witte, AU Faculty Representative, Student Affairs Committee; Timothy Jones, AU Administrative and Professional Assembly Chair; Althea Tate, AU Staff Council Chair; and Lyisha Hampton, AUM Staff Council President.

Mr. McCrary asked Mr. Armstrong if there were matters to be discussed in Executive Session, and Mr. Armstrong indicated that there were pending or potential litigation matters to discuss. A motion was received from Mr. McCrary to move into Executive Session, seconded by General Austin, and the Board of Trustees unanimously approved. Mr. McCrary announced that the meeting would reconvene within thirty (30) minutes.

Mr. McCrary reconvened the meeting at 10:05 a.m. and asked for a motion to adopt the minutes from the April 7, 2017 meeting. A motion was received from Mr. Rane, seconded by Mr. Dumas, and the following minutes were unanimously approved.

RESOLUTION

APPROVAL OF MINUTES

WHEREAS, copies of the minutes of the Reconvened Meeting on Friday, April 7, 2017, have been distributed to all members of this Board of Trustees for review.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees at Auburn University that the minutes of its Friday, April 7, 2017, meeting are hereby approved as distributed.

Mr. McCrary then asked for a motion to approve the Awarding of Degrees. A motion was received from Mr. Rane, seconded by Mrs. Huntley, and the following resolution as unanimously approved:

RESOLUTION

AWARDING OF DEGREES

WHEREAS, Auburn University confers appropriate degrees upon those individuals who have completed requirements previously approved by this Board of Trustees and stated in University Catalogs.

NOW, THEREFORE, BE IT RESOLVED as follows:

1. That all degrees to be awarded by the faculty of Auburn University and Auburn University at Montgomery at the end of Summer Semester 2017, complying with the requirements heretofore established by the Board of Trustees, be and the same are hereby approved.
 2. That a list of the degrees awarded be filed in the Book of Exhibits and made a part of this resolution and of these minutes.
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Mr. McCrary then called upon Dr. Gogue for the President's Report. Dr. Gogue called upon Dr. Stockton, who gave a brief report from the AUM campus. Dr. Gogue then reported on items from the Auburn University campus.

Mr. McCrary thanked Dr. Gogue for his report.

Mr. McCrary then moved to Committee Reports as follows:

Academic Affairs Committee -- Chairperson Newton. Trustee Newton reported that the Academic Affairs committee met earlier and moved for approval of a unanimous consent agenda. A second was received from Mr. Dumas, and the following resolutions were unanimously approved:

RESOLUTION

DEGREE RENAMINGS IN THE COLLEGE OF AGRICULTURE

WHEREAS, the College of Agriculture supports Alabama's agricultural industry by preparing graduates to work in diverse professional, manufacturing, and production fields; and

WHEREAS, agriculture continues to remain one of the top industries in the State, resulting in consistent economic growth and employment opportunities; and

WHEREAS, the Department of Animal Sciences; the Department of Crop, Soil, and Environmental Sciences; and the School of Fisheries, Aquaculture, and Aquatic Sciences currently offer undergraduate and graduate degrees across diverse agricultural fields; and

WHEREAS, these units have proposed new names for certain degrees in order to align with current industry practices and to reflect a greater breadth of topics and approaches necessary for work in various agricultural fields; and

WHEREAS, the proposal has been endorsed by the Dean of the College of Agriculture, the University Curriculum Committee, the Graduate Council, the Provost, and the President.

NOW, THEREFORE, BE IT RESOLVED by Auburn University's Board of Trustees that the renaming of the following degree programs be approved, with notice of the changes in nomenclature being sent to the Alabama Commission on Higher Education as items of information:

- *BS in Animal Sciences—Production Management Option* as the *BS in Animal Sciences—Animal and Allied Industries Option*
- *BS in Animal Sciences—Muscle Foods Science Option* as the *BS in Animal Sciences—Meat Science Option*
- *BS in Agronomy and Soils—Production Option* as the *BS in Crop and Soil Sciences—Production Option*
- *BS in Agronomy and Soils—Science Option* as the *BS in Crop and Soil Sciences—Science Option*

- *BS in Agronomy and Soils—Soil, Water, and Land Use Option* as the *BS in Crop and Soil Sciences—Soil, Water, and Land Use Option*
- *BS in Agronomy and Soils—Turfgrass Option* as the *BS in Crop and Soil Sciences—Turfgrass Option*
- *MAG in Agronomy and Soils* as the *MAG in Crop, Soil, and Environmental Sciences*
- *MS in Agronomy and Soils* as the *MS in Crop, Soil, and Environmental Sciences*
- *PhD in Agronomy and Soils* as the *PhD in Crop, Soil, and Environmental Sciences*
- *MAq in Fisheries* as the *MAq in Fisheries, Aquaculture, and Aquatic Sciences*
- *MS in Fisheries* as the *MS in Fisheries, Aquaculture, and Aquatic Sciences*
- *PhD in Fisheries* as the *PhD in Fisheries, Aquaculture, and Aquatic Sciences*

RESOLUTION

PLACEMENT ON INACTIVE STATUS OF THE MASTER OF INTEGRATED DESIGN AND CONSTRUCTION

WHEREAS, the College of Architecture, Design and Construction currently offers a program of study leading to the degree of Master of Integrated Design and Construction, organized as two coordinated tracks, administered jointly by the McWhorter School of Building Science and the School of Architecture, Planning and Landscape Architecture; and

WHEREAS, the educational goals of this program require approximately equal enrollment of students in each track for successful simulation of integrated project delivery teams; and

WHEREAS, increases high-paying job opportunities for graduates of bachelor-level construction programs have diminished student demand for the construction track of this integrated program; and

WHEREAS, no students have been enrolled in the program since Summer 2015; and

WHEREAS, faculty in the McWhorter School of Building Science and the School of Architecture, Design and Construction have unanimously approved a temporary suspension of the program in order to evaluate its long-term feasibility and its use of resources that might be better reallocated to other programs; and

WHEREAS, the Alabama Commission on Higher Education allows approved programs to be placed on inactive status for a period of five (5) years; and

WHEREAS, the proposal to place the Master of Integrated Design and Construction on inactive status has been reviewed and approved by the Dean of the College of Architecture, Design and Construction; the Graduate Council; the Academic Program Review Committee; the Provost; and the President.

NOW, THEREFORE, BE IT RESOLVED by Auburn University's Board of Trustees that the proposal to place the Master of Integrated Design and Construction on inactive status, effective Fall 2017, be approved and reported to the Alabama Commission on Higher Education as an item of information.

Audit Committee - Chairperson Dumas. Mr. Dumas indicated that the Committee reviewed two (2) items earlier and moved for adoption of the first item, Approval of Independent Auditors for Fiscal Year Ended September 30, 2017. A second was received from Mrs. Huntley, and the Board unanimously approved the following resolution:

RESOLUTION

APPROVAL OF INDEPENDENT AUDITORS FOR FISCAL YEAR ENDED SEPTEMBER 30, 2017

WHEREAS, The Audit Committee of the Board of Trustees is charged with recommending the appointment of the University's external auditor; and

WHEREAS, The Audit Committee recommends the appointment of PricewaterhouseCoopers to audit the University's financial statements and to conduct the federally required A-133 audit.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Auburn University that PricewaterhouseCoopers be appointed as the University's external auditor for fiscal year ending September 30, 2017.

The next item reviewed by the Committee was the receipt of the 2016-2017 Code of Ethics Compliance Documents from the Auburn University Board Members. He indicated that the Audit Committee, General Counsel Armstrong and Secretary Davis had reviewed the Trustees' Code of Ethics Forms, which set forth relationships Board members have to each other and to the University. In compliance with the requirement of the SACS Commission on Colleges, these reviewers deemed that the presiding officer of the Board is free of any contractual, employment, or personal or familial financial interest in Auburn University and that a majority of other voting members of the Board are likewise free of such interests. This item is for reporting purposes only and is not an action item. (See the Code of Ethics Compliance Documents listed as Attachment A to these minutes.)

Property and Facilities Committee - - Chairperson B.T. Roberts indicated that the Property and Facilities Committee had met earlier to consider three (3) items and moved for approval of a consent agenda of two items, Campus System Expansion and Woodland Drive Traffic Light Easement, with the third item presented separately. A second was received from Mr. Sahlie, and the following resolutions were approved:

RESOLUTION

CAMPUS UTILITY SYSTEM EXPANSION ELECTRICAL DISTRIBUTION IMPROVEMENTS FINAL PROJECT APPROVAL

WHEREAS, at its previous meeting on June 5, 2015, the Board of Trustees adopted a resolution that approved the initiation of the Campus Utility System Expansion project, and at its meeting on September 25, 2015, the Board of Trustees approved the utility system engineer selection for the project; and

WHEREAS, the intent of this project is to ensure that Auburn University has sufficient utility system capacity to support campus requirements over the next 10-20 years; and

WHEREAS, the project team has recommended that Campus Utility System Expansion project be split into two (2) projects:

- Campus Utility System Expansion – Electrical Distribution Improvements.
- Campus Utility System Expansion – New Chilled Water Plant; and

WHEREAS, the project proposes to improve the reliability and redundancy of the campus electrical distribution system by relocating the 46kV (46,000 volt) overhead transmission lines along South Donahue Drive and the electrical feeder along Woodfield Drive to the site of the future Performing Arts Center into underground duct banks, and installing a second transformer/switch at the 116kV (116,000 volt) Hemlock Drive Substation; and

WHEREAS, the estimated total cost for the project is \$6.5 million, to be financed by University General Funds; and

WHEREAS, the project construction will be located along South Donahue Drive between Magnolia Avenue and Heisman Drive, along Woodfield Drive between South Donahue Drive and South College Street and at the Hemlock Drive Substation located on Hemlock Drive, north of West Samford Avenue.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Auburn University that the Campus Utility System Expansion – Electrical Distribution Improvements project is approved and that Jay Gogue, President, or such other person as may be acting as President, be and the same is hereby authorized and empowered to:

1. Establish a budget for the Campus Utility System Expansion – Electrical Distribution Improvements project in the amount of \$6.5 million, to be financed by University General Funds.

2. Direct the consultants to complete the required plans for the project.
3. Solicit bids and award a contract for construction conditioned upon the lowest responsible and responsive bid being consistent with the project budget.

RESOLUTION

WOODFIELD DRIVE TRAFFIC LIGHT EASEMENT

WHEREAS, the City of Auburn has requested Auburn University's assistance in improving the intersection at South College Street and Woodfield Drive to install new traffic signals, decorative poles, and equipment at the intersection; and

WHEREAS, the Woodfield Drive Traffic Light Easement project will be an improvement of the intersection and is in the best interest of Auburn University and the safety of its students, faculty, and staff; and

WHEREAS, the proposed improvements require use of approximately 0.01 acres of Auburn University property on the west side of South College Street as described in Attachment 1.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Auburn University that Jay Gogue, President, or such person as may be acting as President, be and the same is hereby authorized and empowered to execute an Easement Agreement for the property described in Attachment A to facilitate those improvements to the intersection. All documents consummating the Easement Agreement shall be reviewed as to form by legal counsel for Auburn University.

The next item was approval of the Gulf Shores Education Center lease, and this item also having been favorably reviewed by the Property and Facilities Committee, Mr. Roberts moved for approval. A second was received from Mr. Smith, and the Board unanimously approved the following resolution:

RESOLUTION

AUBURN UNIVERSITY EDUCATIONAL COMPLEX GULF SHORES, ALABAMA APPROVAL OF LEASE

WHEREAS, Auburn University is committed to its mission of providing quality instructional, research, and outreach programs to the citizens of Alabama, and to having a presence in the southern part of the State will further enhance the University's public engagement; and

WHEREAS, the City of Gulf Shores has approved a strategic plan, Small Town, Big Beach Vision 2025 for Sustainability, and has invited Auburn University to have a presence in Gulf Shores; and

WHEREAS, establishing an Auburn University presence in Gulf Shores is of particular interest to the College of Veterinary Medicine, the Alabama Cooperative Extension System, the Office of Research and Economic Development, and Auburn's Aviation Center and would mutually benefit the Gulf Shores region and the University; and

WHEREAS, a site for the proposed Auburn University Educational Complex has been identified on the Foley Beach Express adjacent to the proposed Coastal Alabama Center for Educational Excellence; and

WHEREAS, The Public Educational Building Authority of the City of Gulf Shores (the "PEBA") has found and determined that it is in the best public, educational, and financial interest of the PEBA to acquire certain real property and construct thereon an educational facility (collectively the "Project") with the proceeds of its Lease Revenue Bonds (Auburn University Educational Complex Gulf Shores Project), Series 2017, to be dated the date of delivery (the "Series 2017 Bonds"); and

WHEREAS, the PEBA will issue the Series 2017 Bonds pursuant to a resolution to be adopted by the governing body of the PEBA on or about June 29, 2017 and an Indenture of Trust, Mortgage, and Assignment of Leases (the "Indenture") with The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), dated the date of delivery of the Series 2017 Bonds; and

WHEREAS, Auburn University ("Auburn") and the PEBA have agreed that Auburn will lease the Project from the PEBA for rental payments equal to the debt service on the Series 2017 Bonds for a term continuing through the final payment of the Series 2017

Bonds pursuant to a Lease Agreement (the "Lease") of even date with the Series 2017 Bonds; and

WHEREAS, Auburn will use and operate the Project in accordance with its educational mission and the requirements of the Act (as defined in the Lease) for the benefit of its faculty, staff, employees, and students.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Auburn University as follows:

1. The foregoing "Whereas" clauses are incorporated herein by reference.
2. All prior action heretofore taken by Auburn and its representatives with respect to the Project, the Lease, and the Series 2017 Bonds is hereby ratified, adopted, and confirmed.
3. The Lease in substantially the form of that which is attached hereto as Attachment C and incorporated herein by reference, is hereby approved and ordered to be executed, attested, sealed, and delivered by the President or other officer of the University as may be designated to sign leases on behalf of the University, with such changes as the President or such officer shall approve, the approval of which shall be evidenced by his execution of

the same, all for the purpose of arranging for, and supporting, the issuance of bonds by the PEBA to finance an educational facility to be leased to and operated by the University in the City of Gulf Shores, Alabama.

4. Board of Trustees authorizes and directs the President and other officers of the University to execute and deliver, on behalf of the University, such other documents and certificates as may be necessary or appropriate in connection with the transaction described in the Lease Agreement and in such form as the President shall approve, the approval of which shall be evidenced by his execution of the same.
5. This resolution was duly introduced and adopted at a regular meeting of the Board of Trustees held in strict compliance with all applicable notice requirements and other laws and regulations governing meetings and actions of the Board of Trustees.
6. This resolution shall take effect immediately.

(Please see the Lease listed as Attachment C to these minutes.)

Executive Committee - - Chairperson Mike DeMaioribus. Mr. DeMaioribus moved to the next item, Election of Officers. He called upon President Pro Tempore to lead the election process. Mr. McCrary opened the floor for nominations, and a nomination of Mike DeMaioribus was made by Mr. Smith. There being no other nominations, Mr. McCrary closed the floor for nominations and moved to approve the election of Mike DeMaioribus as the President Pro Tempore for 2017-2018. A second was received from Mr. Sahlie, and Mr. DeMaioribus was unanimously elected as the 2017-2018 President Pro Tempore.

Mr. DeMaioribus thanked everyone for their vote of confidence and indicated that he looks forward to working with them in his new role as President Pro Tempore. He then indicated that earlier the Board reviewed seven (7) namings and moved for adoption. A second was received from Mr. Rane, and the following namings were unanimously approved:

Naming Opportunities: AU Performing Arts Center – seats in Main Theatre. (Names will be added once the philanthropic investments of \$2,000 each are received, rather than submit hundreds of resolutions each time.)

RESOLUTION

REQUEST TO PLACE THE NAMES OF JULIE AND JOHN T. FOLMAR ON THE PATRONS WALL IN THE AUBURN UNIVERSITY PERFORMING ARTS CENTER

WHEREAS, Julie J. Folmar earned a bachelor degree in accounting from Auburn University in 1986, and John T. Folmar received a bachelor degree in business management as a fourth generation Auburn graduate in 1987, with an ROTC commission in the United States Air Force; and

WHEREAS, Julie embarked on a career with Delta Air Lines and John served a complete military career as an officer in the United States Air Force; and

WHEREAS, Julie and John returned to Auburn in 2002 to settle their family, and to be active citizens and contributors in the community as a fifth-generation Auburn family; and

WHEREAS, Julie has celebrated 30 years flying for Delta and John continues to serve as research and grant manager for the Harrison School of Pharmacy; and

WHEREAS, Julie and John are principals for JuJo, a limited liability company; and

WHEREAS, Julie has developed and nourished a sincere appreciation for the performing arts, with global interest and experience; and

WHEREAS, Julie and John are proud of Auburn University and are grateful for the opportunity give back to the institution in the spirit of the arts; and

WHEREAS, the Folmar family has made a significant gift to support this endeavor.

NOW, THEREFORE, BE IT RESOLVED, that the names of *Julie and John T. Folmar* shall be placed on the Patrons Wall in the Auburn University Performing Arts Center in recognition of the family's generous support of Auburn University and Julie's devotion to her family and to the arts.

REQUEST TO NAME
THE STAGE MANAGER PROMPT CORNER
IN THE AUBURN UNIVERSITY PERFORMING ARTS CENTER
AS THE DOCTORS LANE AND WILLIAM SAUSER STAGE MANAGER PROMPT
CORNER

WHEREAS, William Sauser is Professor *Emeritus* of Management, Auburn University, and Lane Sauser is Director, *Emerita*, College of Agriculture and the Alabama Agricultural Experiment Station; and

WHEREAS, William retired after 38 years of service and Lane retired after 31 years of service to Auburn University; and

WHEREAS, William has always had a love for music, having played the trombone throughout high school and college at Georgia Tech, and was introduced to the arts and influenced by his uncle who was the Concert Master of the Atlanta Symphony Orchestra for 17 years; and

WHEREAS, Lane has long enjoyed the performing arts, attending Atlanta's Art Alliance and Theatre Under the Stars; and

WHEREAS, the Sausers have been subscribers of the Alabama Shakespeare Festival since its early days and have enjoyed a wide variety of performances throughout the community; and

WHEREAS, they were among the first donors to the Performing Arts Center as they envisioned it as complementary to Auburn's excellence in education and athletics, and look forward to seeing the Auburn Performing Arts Center provide entertainment, cultural, and educational experiences to Auburn University and the greater community; and

WHEREAS, the Sausers have made a generous gift to support this endeavor.

NOW, THEREFORE, BE IT RESOLVED that the Stage Manager Prompt Corner in the Auburn University Performing Arts Center shall be named *The Doctors Lane and William Sauser Stage Manager Prompt Corner* in recognition of their generous support of Auburn University and their devotion to the arts.

RESOLUTION

NAMING THE FOURTH FACULTY OFFICE FROM THE SOUTHEASTERN CORNER ON
LEVEL TWO OF THE SCHOOL OF NURSING AS THE
RYAN AND KELLEY NOLL FACULTY OFFICE

WHEREAS, Kelley Noll is Assistant Clinical Professor in the School of Nursing at Auburn University; and

WHEREAS, her nursing career began at Brookwood Medical Center in Birmingham, Ala., earning the BSN from Samford University, while working as an Obstetrics Technician, and, later, as a registered nurse in their labor and delivery; and

WHEREAS, Kelley worked in labor and delivery at Baptist Medical Center East in Montgomery, Ala.; and

WHEREAS, she previously has served the Auburn School of Nursing as Clinical Associate and Instructor; and

WHEREAS, she completed a master in Nursing Education from Auburn/Auburn Montgomery in 2013; and

WHEREAS, her interests include obstetrics, teacher effectiveness, mentoring new graduate nurses, and ePortfolio; and

WHEREAS, Kelley is secretary for Sigma Theta Tau International, Theta Delta chapter, is a member of the Association of Women's Health, Obstetrics and Neonatal Nursing and Le Leche League International; and is membership advisor for Zeta Tau Alpha at Auburn; and

WHEREAS, in 2017 she is slated to receive a doctorate of Education from Auburn University; and

WHEREAS, her husband, Ryan, is part owner and general manager of The Bourbon Street Bar in Auburn, Ala.; and

WHEREAS, Kelley and Ryan are proud parents to two sons, Riley age 3 and Charlie, age 1; and

WHEREAS, they have committed a significant gift to support the first building to be constructed at the Auburn University specifically for the School of Nursing.

NOW, THEREFORE, BE IT RESOLVED that the fourth faculty office from the southeastern corner on level two of the School of Nursing be named *The Ryan and Kelley Noll Faculty Office* in recognition of their generous commitment to nursing education at Auburn University.

RESOLUTION

NAMING THE NORTHEASTERN GROUP STUDY ROOM ON LEVEL TWO OF THE SCHOOL OF NURSING AS THE DR. BUDDY THORNE AND BARBARA DRUMMOND THORNE GROUP STUDY ROOM

WHEREAS, Babs Anderson graduated from Auburn University with a bachelor degree in Liberal Arts in 1988; and

WHEREAS, she and her husband, Michael Anderson, wish to honor her father, Dr. Buddy Thorne and the memory of her beloved mother, Barbara Drummond Thorne, and

WHEREAS, Dr. Buddy Thorne attended the College of Sciences and Mathematics at Auburn University in 1955; graduated from Howard University; and received a doctorate in dentistry from the University of Alabama; and

WHEREAS, Barbara Drummond Thorne is remembered as a lady of great faith, with a love for all people, a civic volunteer, and an outstanding supporter of Auburn, especially Auburn Athletics; and

WHEREAS, she received a bachelor of Science Degree in Education from Auburn University in 1958, where she was a member of the Alpha Gamma Delta sorority; and

WHEREAS, their children are Beth Thorne Stukes of Jasper, Ala., Dr. Larry Thorne of Auburn, Ala., Becky Thorne Carroll of Auburn, Ala., and Babs Anderson, of Tuscaloosa, Ala.; and

WHEREAS, Babs granddaughter and Michael's daughter Logan earned the Bachelor of Science in Nursing from Auburn University, Class of 2017; and

WHEREAS, Babs and Michael have committed a significant gift to support the first building to be constructed at the Auburn University specifically for the School of Nursing.

NOW, THEREFORE, BE IT RESOLVED that the northeastern group study room on level two of the School of Nursing be named *The Dr. Buddy Thorne and Barbara Drummond Thorne Group Study Room* in their honor, and to recognize Babs and Michael for their very generous investment in nursing education at Auburn University.

RESOLUTION

NAMING THE ARMY ROTC RAPELL TOWER FACILITY AS THE ADKINS-ROGERS RAPPEL TOWER FACILITY

WHEREAS, Command Sergeants Major (Retired) Bennie G. Adkins was awarded the Congressional Medal of Honor for his actions March 9-12, 1966, in the Republic of Vietnam. Because of his efforts to carry a wounded soldier to an extraction point and leave no one behind, Sergeant First Class Adkins and his group were unable to reach the last evacuation helicopter. Adkins then rallied the remaining survivors and led the group into the jungle and evading the enemy for 48- hours until they were rescued by helicopter on March 12th. During the 38-hour battle and 48-hours of escape and evasion, Adkins fought with mortars, machine guns, recoilless rifles, small arms, and hand grenades, killing an estimated 135 to 175 of the enemy and

sustaining 18 different wounds. Sergeant First Class Adkins' extraordinary heroism and selflessness above and beyond the call of duty are in keeping with the highest traditions of the military service and reflect great credit upon himself, Detachment A-102, 5th Special Forces Group, 1st Special Forces and the United States Army, and

WHEREAS, since the early 1980's, Command Sergeants Major (Retired) Adkins has been a key social figure in the City of Auburn serving as CEO for the Adkins Accounting CEO for over 22 years and as a teacher at Auburn University for six (6) years; and

WHEREAS, Major General Darsie D. Rogers was commissioned as a Second Lieutenant from Auburn University's Army ROTC program in 1987.

WHEREAS, Major General Rogers has commanded Army and Special Operations Forces at every level, from Second Lieutenant to his current rank. Notable assignments include the Joint Staff, the Joint Readiness Training Center, Fort Polk, LA and Commander of the 10th Special Forces Group (Airborne). He has participated in numerous contingency and combat operations including Operation DESERT SHIELD/DESERT STORM, Operation PROVIDE COMFORT, peacekeeping operations in Bosnia, and five (5) deployments in support of Operation IRAQI FREEDOM and Operation NEW DAWN, where he commanded Army, Air Force and Naval special operations forces. He served as the Deputy Commanding General for Support, 4th Infantry Division at Fort Carson, CO, the Deputy Commanding General for United States Army Special Operations Command and most recently as the Commanding General, 1st Special Forces Command (Airborne) Fort Bragg, NC; and

WHEREAS, Major General Darsie D. Rogers currently serves as Commander, Special Operations Command Central; and

WHEREAS, Command Sergeants Major (Retired) Adkins and Major General Rogers has supported Auburn University and the War Eagle Battalion for several years through motivational speaking, honorary guest appearances at sporting events during military appreciation weekends, and serving as mentors to future Army officers.

NOW, THEREFORE, BE IT RESOLVED by the Auburn University Board of Trustees that CSM(R) Adkins and MG Roger's long-standing generosity, leadership and dedication to Auburn University and the War Eagle Battalion are recognized by naming the rappel tower facility as *the Adkins-Rogers Rappel Tower Facility*.

The next item was a request to approve a recognition resolution, and Mr. DeMaioriobus moved for approval. A second was received from Mr. Rane, and the Board unanimously approved the recognition resolution. Mr. McCrary presented the framed recognition resolution to Dr. and Mrs. Jay Gogue after the reading of the resolution. The following resolution was approved and presented:

RESOLUTION

RECOGNITION OF PRESIDENT JAY GOGUE

WHEREAS, Dr. Jay Gogue, a native of Waycross, Georgia, became Auburn University's 18th president on July 16, 2007, culminating a distinguished career in higher education leadership; and

WHEREAS, before beginning that career Dr. Gogue achieved academic distinction in horticulture, earning the Bachelor of Science and the Master of Science degrees in that discipline from Auburn and the doctorate from Michigan State University; and

WHEREAS, as a devoted Auburn alumnus and respected leader in education, Dr. Gogue has served his alma mater with great honor; and

WHEREAS, during Dr. Gogue's tenure as president, Auburn has achieved unprecedented success in academics, outreach, research, and development, marked by achievements such as:

- Growing highly competitive for national student awards with 116 Auburn students during his tenure being so honored , including 21 Fulbright recipients and 43 National Science Foundation Graduate Research Fellows;
- Emphasizing globalization through initiatives like the Auburn Diplomatic Program that has given students the opportunity to learn from visiting international counsels and dignitaries;
- Promoting sustainability and garnering national recognition for Auburn's success in promoting efficiency and conserving renewable and nonrenewable resources;
- Stimulating powerful growth in Auburn's research capabilities with the establishment of the Auburn University Magnetic Resonance Imaging Research Center, the Radio Frequency Identification Lab, the "Hopper" supercomputer, and the Auburn University Huntsville Research Center;
- Eliciting unprecedented levels of donor support for Auburn through the most successful capital campaigns in the University's history and thereby making indelible the phrases "It Begins at Auburn" and "Because This is Auburn"; and

WHEREAS, Dr. Gogue has faithfully collaborated with the City of Auburn on such projects as the Auburn Research Park and Auburn University Regional Airport to the benefit of the local, regional, and state economies; and

WHEREAS, Dr. Gogue was appointed to the Homeland Security Academic Advisory Council, a group of prominent university presidents and academic leaders charged with advising the Secretary of the U.S. Department of Homeland Security and other senior national leaders on key issues; and

WHEREAS, Dr. Gogue was honored with the Glenn Howze Academic Freedom Award by the Auburn chapter of the American Association of University Professors, becoming only the second Auburn president to receive this award; and

WHEREAS, Dr. Gogue was among the first university chief executives to join the Presidents United to Solve Hunger initiative, an effort started by Auburn's Hunger Solutions Institute, by signing the Presidents' Commitment to Food and Nutrition Security, pledging their best efforts to eliminate food insecurity; and

WHEREAS, as president, Dr. Gogue has stood with more than 55,000 students as they received their Auburn degrees; and

WHEREAS, Dr. Gogue and his wife Susie routinely engaged the campus and local communities and the Auburn family to advance the mission of Auburn University; and

WHEREAS, Dr. Gogue has served Auburn University not only as leader but also as a wise and valuable counsel, expert on matters of education and committed to the advancement of academic quality.

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees of Auburn University extends to Dr. Jay Gogue sincere gratitude for his invaluable service to Auburn University and conveys to him best wishes for every success in his future endeavors; and

BE IT FURTHER RESOLVED that a copy of this resolution be presented to Dr. Gogue so that he, his wife Susie, and his entire family will be reminded of Auburn University's deep gratitude and respect for his many efforts on behalf of Auburn University and the citizens of Alabama.

Next, a motion was received from Mr. DeMaioribus to approve a naming resolution for the Auburn University Performing Arts Center, seconded by Mr. Rane, and the Board unanimously approved the naming of the Auburn University Performing Arts Center as the Jay and Susie Gogue Performing Arts Center. Mr. McCrary and Mrs. Parker both presented the framed naming resolution of the AU Performing Arts Center to Dr. and Mrs. Jay Gogue after the resolution was read. After the reading and presentation of the resolution both Dr. Gogue and Mrs. Gogue expressed their gratitude for both resolutions and for the generosity of Auburn alumni John and Rosemary Brown on their behalf. They were also very thankful for the past years of service in working with the Board, faculty, staff, and students. The following resolution was approved and presented:

RESOLUTION

NAMING THE AUBURN UNIVERSITY'S PERFORMING ARTS CENTER AS THE JAY AND SUSIE GOGUE PERFORMING ARTS CENTER

WHEREAS, Dr. and Mrs. Jay Gogue have served Auburn University as president and first lady with distinction and purpose, born of a deep commitment to advancing the university toward becoming one of the nation's pre-eminent public institutions of higher education; and

WHEREAS, they are counted among Auburn's most faithful alumni, with Dr. Gogue holding bachelor and master degrees in Horticulture and Mrs. Susie Gogue holding a bachelor degree in Sociology and a master degree in Family and Child Development from Auburn University; and

WHEREAS, Dr. Gogue became Auburn University's 18th president in 2007 and through a decade of distinguished leadership elevated the institution to new levels of recognition and achievement; and

WHEREAS, Mrs. Gogue served as a dedicated ambassador for and champion of the Auburn family's best interests and the university's numerous accomplishments; and

WHEREAS, Dr. and Mrs. Gogue embraced an ambitious vision to create a performing arts center at Auburn University that would enrich the cultural life of the university, the community, and the region through the transformative power of the arts; and

WHEREAS, Auburn alumni John and Rosemary Brown made a very generous lead gift for the performing arts center to honor the legacy of Dr. and Mrs. Gogue.

NOW, THEREFORE, BE IT RESOLVED that the new Performing Arts Center be named the *Jay and Susie Gogue Performing Arts Center* in recognition of their extraordinary service to, and leadership of, Auburn University.

Before concluding his report Mr. DeMaioribus informed everyone that he would be in touch with the members of the Board to discuss the 2017-2018 Committees and Lead Trustees Structure, and the 2017-2018 College and School Assignments.

There being no further items for review, Mr. McCrary recessed the meeting at 10:55 a.m.



Grant Davis
Secretary to the Board of Trustees

Attachment A

2016-2017
AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENTS

**AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017**

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have X, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with _____ other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

3. I further certify, that I have _____, or do not have X, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: _____

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: Ray J. Lust
Member
Auburn University, Board of Trustees

STATE OF ALABAMA)
)
Lee COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared Lloyd J. Askin, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 15th day of May, 2017.

(SEAL)

Doreen Lloyd Patterson
Notary Public, State of Alabama

My Commission Expires August 2, 2019

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have ☒, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with _____ other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

3. I further certify, that I have _____, or do not have ☒, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: _____

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: Michael A. DeMaribus
Member
Auburn University, Board of Trustees

STATE OF ALABAMA)
)
Lee COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared Michael A. DeMaribus, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 10 day of May, 2017.

(SEAL)

Doreen Lloyd Patterson

Notary Public, State of Alabama

MY COMMISSION EXPIRES:
August 2, 2019

My Commission Expires: _____

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have X, or do not have _____, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)

SEE COMMENT PAGE A

2. I have business or professional relationships with 1 other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

SEE COMMENT PAGE A

3. I further certify, that I have X, or do not have _____, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: SEE COMMENT PAGE B

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed:

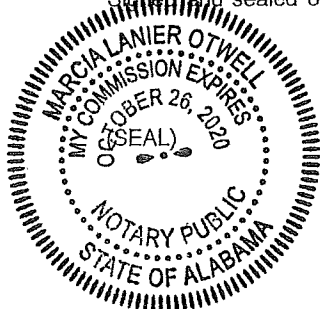
Robert W. Dumas

Member Robert W. Dumas
Auburn University, Board of Trustees

STATE OF ALABAMA)
LEE)
COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared Robert W. Dumas, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 5 day of May, 2017.



Marcia Lanier Otwell

Notary Public, State of Alabama

My Commission Expires: 10.26.20

**Auburn University Board of Trustees
Code of Ethics Compliance Document
2016-2017**

**Comment Page A for Robert W. Dumas
Page 1 of 1**

I have no personal business or professional relationships with any board members. As President/CEO of AuburnBank, a state banking corporation, my bank may serve as a depository or lending institution to a board member or an affiliate but any such relationships are on terms no more favorable than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees.

J. Smith Lanier & Co. does provide some commercial insurance coverage for AuburnBank but the terms are no more favorable than the terms that are usual and customary in the ordinary course of business.

Regarding Auburn University, AuburnBank may provide banking services to the University in the normal course of business. I have no contractual, employment, personal or familial interest in Auburn University other than as described above. Please note that I serve on several public, private and charitable boards as listed below:

**AuburnBank – Board of Directors
Auburn National Bancorporation, Inc. – Board of Directors
Alabama Bankers Association – Board of Directors
East Alabama Medical Center – Board of Directors
Federal Reserve Bank of Atlanta’s Birmingham Branch –
Board of Directors
Auburn Research & Tech Foundation – Board of Directors
Auburn Business Incubator Advisory Committee Member
AU Golf Letterman Club Member**

**Auburn University Board of Trustees
Code of Ethics Compliance Document
2016-2017**

**Comment Page B for Robert W. Dumas
Page 1 of 1**

My daughter, Kristin Dumas Phillips, is employed by Auburn University (Tigers Unlimited) as Director of Stewardship.

My daughter, Kristin Dumas Phillips and her husband, Craig McDowell Phillips, own a landscape lighting company (Illuminate Landscape Lighting, LLC) located in Auburn. There could be potential landscape lighting jobs for Auburn University that they may submit bids for.

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have X, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with 2 other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

Note: Charles D. McCrary's son, Doug McCrary, is employed by my firm,
Harbert Management Corporation.

Charles D. Miller, who serves on Auburn's Foundation Board, is employed by my firm,
Harbert Management Corporation.

3. I further certify, that I have _____, or do not have X, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: _____

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: _____

Member
Auburn University Board of Trustees

STATE OF ALABAMA)
)
Jefferson COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared Raymond J. Harbert, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 11th day of May, 2017.



Charles B. Schaefer
Notary Public, State of Alabama

My Commission Expires: 06/15/2020

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017



I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have ☒, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)

SEE COMMENT PAGE A

2. I have business or professional relationships with _____ other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

SEE COMMENT PAGE A

3. I further certify, that I have _____, or do not have ☒, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: SEE COMMENT PAGE A

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed:
Member
Auburn University, Board of Trustees

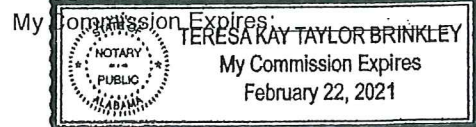
STATE OF ALABAMA)
Jefferson)
COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared Elizabeth H. Huntley, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 25th day of April, 2017.

(SEAL)

Notary Public, State of Alabama



Auburn University Board of Trustees
Code of Ethics Compliance Document
2016-2017

Comment Page A for Elizabeth H. Huntley

Page 1 of 1

I have no personal business or professional relationships with any board members. However, I am an Of Counsel attorney at the law firm of Lightfoot, Franklin & White, L.L.C. Although I am not personally involved, my law firm may have or may continue to provide legal services to a board member or an affiliate, but any such relationships are on terms no more favorable than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees.

In regards to Auburn University, Lightfoot, Franklin & White, L.L.C. may provide legal services to the University in the normal course of business. I have no contractual, employment, personal or familial interests in Auburn University other than as described above. Please note that I serve on the following charitable boards of directors:

Alabama School Readiness Advisory Board of Directors
Children's First Foundation Board of Directors
Children's Village Board of Directors
Cornerstone Schools of Alabama Board of Directors
Leadership Alabama Board of Directors
St. Vincent's Health System Board of Directors

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have X, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with _____ other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

3. I further certify, that I have _____, or do not have X, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: _____

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: Kay Ivey
Member
Auburn University, Board of Trustees

STATE OF ALABAMA)
)
Montgomery COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared Kay Ivey, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 16th day of May, 2017.

(SEAL)

Barbara B. Kelley
Notary Public, State of Alabama

My Commission Expires: 6-17-19

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have ☒, or do not have ☐, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with 2 other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

Jimmy Rane - Insurance

Bob Dumas - Insurance

See Attachment

3. I further certify, that I have ☐, or do not have ☒, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: _____

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

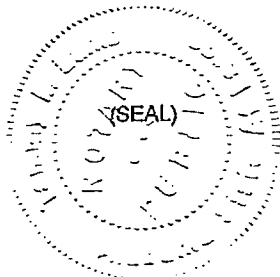
Signed: ME

Member
Auburn University, Board of Trustees

STATE OF ALABAMA)
)
Chamber COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared David Gaines Lanier, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 25th day of April, 2017.



Jimmy M. Lamb
Notary Public, State of Alabama

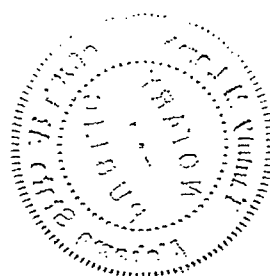
My Commission Expires: 9-11-19

AUBURN UNIVERSITY BOARD OF TRUSTEES CODE
OF ETHICS COMPLIANCE DOCUMENT

ATTACHMENT A

I have personal or business relationships with board members listed on form however, Marsh & McLennan Agency LLC Company , an insurance brokerage company of which I am Chairman and Chief Executive Officer, has customers throughout the state. The company has business relationships with some board members. It also has various clubs, organizations or employees associated with Auburn University that has business relationships with Marsh & McLennan Agency LLC Company. Such relationships, if any, would have been entered into at terms no more favorable than to non-board members.

AS
... ..
... ..



AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have ☒, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with _____ other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

3. I further certify, that I have _____, or do not have ☒, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain:

My son Doug McClary
is employed by Halted Management.

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: Charles R McClary
Member
Auburn University, Board of Trustees

STATE OF ALABAMA)
)
Lee COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared Charles McClary, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 23rd day of May, 2017.

(SEAL)

JENNIFER LYNN WYNN
Notary Public
Alabama State at Large

Notary Public, State of Alabama

My Commission Expires: 12-16-2019

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have X, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with _____ other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

3. I further certify, that I have X, or do not have _____, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: John Newton, my son, is an employee with the Samuel L. Ginn
College of Engineering at Auburn University.

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: Sarah B. Newton
Member
Auburn University, Board of Trustees

STATE OF ALABAMA)
)
Lee COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared ✓ Sarah B. Newton, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 1st day of May, 2017.

Doreen Lloyd Patterson
Notary Public, State of Alabama

(SEAL)

MY COMMISSION EXPIRES
August 2, 2019

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have X, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with 0 other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

3. I further certify, that I have _____, or do not have X, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: _____

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed

Member

Auburn University, Board of Trustees

STATE OF ALABAMA)
Jefferson)
COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared James Pratt, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 1th day of May, 2017.

(SEAL)

Oliver H. Byrd
Notary Public, State of Alabama

My Commission Expires: 10/3/20

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have ☒, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with _____ other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

Please See attached

3. I further certify, that I have ☒, or do not have _____, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: My son-in-law, Chance Carter-Cox,
is a student employee in the Office of
Trademark Licensing for Auburn University.

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

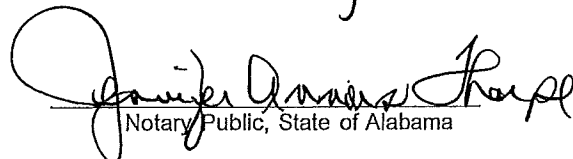
Signed: 
Member
Auburn University, Board of Trustees

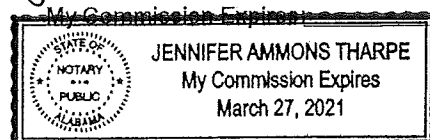
STATE OF ALABAMA)
Henry)
COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared James W. Kane, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 15th day of May, 2017

(SEAL)


Notary Public, State of Alabama



Auburn University Board of Trustees
Code of Ethics Compliance Document
2016-2017

James W. Rane

I have no personal business or professional relationships with any board members. As President and CEO of Great Southern Wood Preserving, Incorporated, the nation's leading producer of pressure treated pine lumber for residential, farm, commercial and industrial uses, we sell products to the general public through retail building material dealers and other distributors throughout a 27 state region encompassing the Southeast, Northeast and Midwestern United States. We may serve all board members or few members indirectly through their purchase of pressure treated wood products through these distribution channels. If any purchases of goods are made by members of this board, they are at terms no more favorable than non-board members.

Great Southern Wood Preserving, Incorporated, has a business relationship with J. Smith Lanier & Co., which provides our corporate insurance. Mr. Gaines Lanier is the Chairman and CEO of this company, but any such relations are on terms no more favorable than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. My company also has a business relationship with Lightfoot, Franklin & White, LLC. Elizabeth H. Huntley is an associate with this law firm, which provides legal services to our company, but any such relationships are on terms no more favorable than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other board members and persons similarly situated to me who are not members of the Board of Trustees.

Regarding Auburn University, I have no contractual, employment, personal or familial interest in the University other than as described above. Please note that I am associated with several charitable organizations as listed below:

Abbeville United Methodist Church Board of Trustees
Henry County Historical Group Board of Directors
Alabama Archives & History Foundation Board of Directors
Auburn Letterman's Association Honorary Member
Alabama State Bar Member
American Bar Association Member
National Cowboy & Western Heritage Museum Board of Directors
President of the Jimmy Rane Foundation

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have ☒ , or do not have ☐ , (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with 1 other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

MR. WAYNE SMITH

See Attachment

3. I further certify, that I have ☐ , or do not have ☒ (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: _____

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: Quint P. Riggins

Member

Auburn University, Board of Trustees

STATE OF ALABAMA)

Montgomery)
COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared Quintin P. Riggins, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 15th day of May, 2017

(SEAL)

Kimberly L. Maryland
Notary Public, State of Alabama

My Commission Expires: 11/7/2020

AUBURN UNIVERSITY BOARD TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

2. I was appointed in December 2016 (before I was appointed to the University Board of Trustees) to be a member of the Grandview Medical Center Board of Directors, which is an uncompensated position with this Birmingham-area medical center.

The parent company of Grandview Medical Center is ultimately Community Health Systems, which is based in Tennessee. The Chairman and CEO of Community Health Systems is **Wayne Smith**, another University trustee.

While I am not sure if this is the type of business relationship contemplated by this question, I am disclosing it here out of an abundance of caution and will accept the advice of the Board of Trustees' compliance specialists regarding whether it should be included here now or in the future.

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have ☒, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with _____ other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

3. I further certify, that I have _____, or do not have ☒, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: _____

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: _____

Member
Auburn University, Board of Trustees

STATE OF ALABAMA)
)
Mobile COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared B. T. Roberts, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 26th day of April, 20 .

(SEAL)

Sharon S. Hatten
Notary Public, State of Alabama

My Commission Expires: 7-27-20

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have X, or do not have _____, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with X other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

Bob Dumas and I are directors of
Auburn Research Technology Foundation (ARTF),
A SDIC3 organization that does business with Auburn.

3. I further certify, that I have _____, or do not have X (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: _____

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: James H. Sanford
Member
Auburn University, Board of Trustees

STATE OF ALABAMA)
)
Lee)
COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared James H. Sanford, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 10th day of May, 2017.

(SEAL)

JENNIFER LYNN WYNN
Notary Public
Alabama State at Large

[Signature]
Notary Public, State of Alabama
My Commission Expires: 12-16-19

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have ✓, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with _____ other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

3. I further certify, that I have _____, or do not have ✓, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: Please note my son, Will Sahlie,
Serves as Sports Editor of The Plainsman
newspaper

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: Clark Sahlie
Member
Auburn University, Board of Trustees

STATE OF ALABAMA)
)
Lee COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared Clark Sahlie, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 10th day of May, 2017.

(SEAL)

Queen Glad Patterson
Notary Public, State of Alabama

My Commission Expires: August 2, 2019
MY COMMISSION EXPIRES:

AUBURN UNIVERSITY BOARD OF TRUSTEES
CODE OF ETHICS COMPLIANCE DOCUMENT
2016-2017

I affirm that I have reviewed the Auburn University Code of Ethics and that I have and will fully comply with its requirements. I further certify that:

1. I have _____, or do not have ☒, (check one) a business or professional relationship with any other Board member or any entity affiliated with any other Board member (If you do not have any such relationships skip #2 and answer #3.)
2. I have business or professional relationships with 1 other Board member(s). I certify that all such relationships are on terms no more favorable to me than the terms that are usual and customary in the ordinary course of comparable business or professional relationships between such other Board members and persons similarly situated to me who are not members of the Board of Trustees. Should any effort occur to influence the independent judgment on my part required in paragraph 1 of the Code of Ethics resolution, I will sever any and all business relationships with any member of the Board associated with such effort, or I will resign from the Board.

Name(s) and Nature of Relationship:

Quenton Riggins, AU Trustee,
Serves as a member of the
Grandview Medical Center Board of Directors.

3. I further certify, that I have ☒, or do not have _____, (check one) contractual, employment, personal or familial financial interest in Auburn University.

If so, please explain: My brother, Jerry Smith,
does business with Auburn.

The information supplied above conforms to the requirements of Ala. Code (1975), § 13A-10-102. "A person commits the crime of perjury in the second degree when he swears with intent to mislead a public servant in the performance of his duty and his false statement is material to the action, proceeding or matter involved."

Signed: _____

Member
Auburn University, Board of Trustees

Tennessee
STATE OF ~~ALABAMA~~)
Williamson)
COUNTY)

Before me, the undersigned, a Notary Public in and for said State and County, personally appeared Wayne Smith, whose name is signed to the foregoing instrument and who is known to me and acknowledged before me that he/she has executed said instrument on the day the same bears date.

Signed and sealed on this the 25th day of April, 20 17.



Suzanne G. McDaniel
Notary Public, State of ~~Alabama~~ Tennessee

My Commission Expires: _____

My Commission Expires
May 2, 2019

Attachment B

LEASE AGREEMENT

BY AND BETWEEN

THE PUBLIC EDUCATIONAL BUILDING AUTHORITY OF
THE CITY OF GULF SHORES, ALABAMA

AND

AUBURN UNIVERSITY

\$[principal amount]
LEASE REVENUE BONDS
SERIES 2017
(Auburn University Educational Complex Gulf Shores Project)

Dated as of July __, 2017

The interest of The Public Educational Building Authority of the City of Gulf Shores, Alabama (the "Lessor") in this Lease Agreement has been assigned (except for "Reserved Rights" defined in this Lease Agreement) pursuant to the Indenture of Trust, Mortgage, Assignment of Leases and Security Agreement dated as of the date hereof from the Lessor to The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), and is subject to the security interest of the Trustee thereunder.

This Lease Agreement prepared by James T. Birchall, Bradley Arant Boult Cummings LLP
One Federal Place, 1819 5th Avenue North, Suite 200, Birmingham, Alabama 35203

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STATE OF ALABAMA)

BALDWIN COUNTY)

LEASE AGREEMENT

THIS LEASE AGREEMENT, dated as of July __, 2017, between THE PUBLIC EDUCATIONAL BUILDING AUTHORITY OF THE CITY OF GULF SHORES, ALABAMA, a public corporation duly existing under the laws of the State of Alabama (the "Lessor") and AUBURN UNIVERSITY, a corporation and public educational institution duly existing under the laws of the State of Alabama ("Lessee");

WITNESSETH:

Pursuant to and for the purposes expressed in Chapter 18 of Title 16 of the CODE OF ALABAMA 1975, as amended (the "Act"), the Lessor and the Lessee have executed and delivered this Lease Agreement simultaneously with the issuance and sale by the Lessor, under and pursuant to that certain Indenture of Trust, Mortgage, Assignment of Leases and Security Agreement, dated as of June 1, 2017 (the "Indenture") from the Lessor to The Bank of New York Mellon Trust Company, N.A., as trustee, of \$[principal amount] Lease Revenue Bonds, Series 2017 (Auburn University Educational Complex Gulf Shores Project), dated the date of delivery (the "Bonds") to finance a new educational complex and related ancillary improvements, as more fully described herein and which facilities shall constitute "ancillary improvements" within the meaning of the Act.

The parties hereto, intending to be legally bound hereby, and for and in consideration of the premises and the mutual covenants hereinafter contained, do hereby covenant, agree and bind themselves as follows; provided, that any obligation of the Lessor or Lessee created by or arising out of this Agreement shall never constitute a debt or a pledge of the faith and credit or the taxing power of the Lessor, Baldwin County, Alabama, the City of Gulf Shores, Alabama (the "City") or the State of Alabama (the "State") but shall be payable solely out of the Trust Estate (as defined in the Indenture), anything herein contained to the contrary by implication or otherwise notwithstanding:

ARTICLE I

DEFINITIONS

SECTION 1.1. Definitions. All capitalized, undefined terms used herein shall have the same meanings as used in Section 1.1 of the hereinafter defined Indenture. In addition, the following words and phrases shall have the following meanings:

"Act" means Chapter 18 of Title 16 of the Code of Alabama 1975, as amended.

"Additional Bonds" means those bonds authorized to be issued under the provisions of Article XII of the Indenture.

"Applicable Laws" means all applicable present and future laws, rules, orders, ordinances, regulations, statutes, requirements, codes, resolutions and executive orders of Governmental Authorities, to the extent applicable to Lessee or the Project.

“Basic Rent” means that portion of the Rentals payable hereunder in the amounts and at the times sufficient to pay the principal, interest and any premium due on the Bonds; provided that the Rentals shall not be payable out of funds appropriated by the State to or for the benefit of the Lessee or out of any funds that could cause this Agreement or the Bonds to be a debt or obligation of the State.

“Bond” or “Bonds” means the \$[principal amount] Lease Revenue Bonds, Series 2017 (Auburn University Educational Complex Gulf Shores Project) of the Lessor issued, authenticated and delivered under the Indenture and, as appropriate, includes any Additional Bonds authorized to be issued under and as defined in the Indenture.

“City” means the City of Gulf Shores, Alabama.

“Code” means the Internal Revenue Code of 1986, as amended.

“Costs” with respect to the Project shall be deemed to include all items permitted to be financed under the provisions of the Code and the Act, including Issuance Costs.

“Default” means any Default under this Agreement as specified in and defined by Section 9.1 hereof.

“Effective Date” means the date of delivery of this Agreement and the issuance of the Bonds.

“Equipment” shall have the meaning assigned in Demising Clause III of Section 4.1 and shall include that certain machinery, equipment, personal property and fixtures generally described on Exhibit C hereto and any machinery, equipment, personal property and fixtures that under the terms hereof constitute a part of the Equipment.

“Financing Documents” shall mean collectively the Bonds, this Lease Agreement and the Indenture.

“Fiscal Year” means the period beginning on October 1 and ending on September 30 of the next succeeding calendar year or such other fiscal year as may hereafter be adopted by the Lessee.

“General Fee Revenues” means the gross revenues from the general tuition fees levied against all students of the Lessee excluding (i) that portion (presently \$96.00 per student at the Auburn Main Campus per academic semester) of such fees designated for athletic purposes and allocated to the Athletic Department of the Lessee and (ii) any other fee or charge designated for a special purpose by resolution duly adopted by the Board of Trustees.

“General Fee Revenue Indenture” means that certain General Fee Revenue Indenture dated as of June 1, 1985, as amended and supplemented, between the Lessee and The Bank of New York Mellon Trust Company, N.A. (as successor trustee).

“Governmental Authority” means any governmental authority, agency, department, district, commission, board or instrumentality of the United States, the State of Alabama, and any other governmental authority having jurisdiction over the Real Property, Lessee or Lessor.

“Government Obligations” shall have the same meaning set forth in the Indenture.

“Hazardous Substance” means any hazardous or toxic substance which is regulated by any Governmental Authority, the State of Alabama, or the United States Government; including, without

limitation (except as excluded below), asbestos; nuclear or radioactive material or waste; chemical liquids or solids; liquid or gaseous products; oil; petroleum; pesticides; or any substance which is (a) designated as a "hazardous substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. Section 1317), (b) defined as "hazardous waste" pursuant to Section 1004 of the Federal Resource Conservation and Recovery Act (42 U.S.C. Sections 6901, 6903 et seq.), (c) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. Section 9601(14) et seq.), or (d) is covered under the Asbestos Hazard Emergency Response Act, by the Superfund Amendments and Reauthorization Act, by the Clean Air Act, by 42 U.S.C. Section 6991, or by any other similar federal, state, or local law or regulation. Cleaning solvents, photocopy toner, photo developing materials, materials used in the construction of the Project and similar materials and/or chemicals used in the normal course of operation of an office building and veterinary clinic and laboratory are not Hazardous Substances for purposes of this Agreement, provided that such exempted materials and/or chemicals are used and disposed of in accordance with Applicable Laws.

"Improvements" shall have the meaning assigned in Demising Clause II of Section 4.1.

"Indenture" means the Indenture of Trust, Mortgage, Assignment of Leases and Security Agreement dated as of this date between the Lessor and the Trustee, pursuant to which (a) the Bonds are authorized to be issued and (b) the Lessor's interest in this Agreement (except for Reserved Rights) is pledged and conveyed as security for the payment of the Bonds and any amendments and supplements thereto.

"Independent Auditor" means a certified public accountant (or a firm thereof) regularly engaged in the auditing of financial records and not employed full time by the Lessee or the Alabama Department of Examiners of Public Accounts.

"Independent Counsel" means an attorney or firm of attorneys duly admitted to practice law in any state of the United States and not in the full-time employment of either the Lessor or the Lessee.

"Interest Payment Date" means June 1 and December 1 in each calendar year.

"Issuance Costs" means all costs that are treated as costs of issuing or carrying the Bonds under the Act and existing Treasury Department regulations and rulings, including, but not limited to, (a) underwriter's spread (whether realized directly or derived through purchase of the Bonds at a discount below the price at which they are expected to be sold to the public); (b) counsel fees, costs and expenses (including bond counsel, underwriter's counsel, Lessor's counsel and Lessee counsel, incurred in connection with the issuance of the Bonds); (c) financial advisory fees incurred in connection with the issuance of the Bonds; (d) rating agency fees; (e) Trustee fees incurred in connection with the issuance of the Bonds; (f) paying agent fees related to issuance of the Bonds; (g) accountant fees related to the issuance of the Bonds; (h) printing costs of the Bonds and of the preliminary and final offering materials; (i) publication costs associated with the financing proceedings; and (j) costs of engineering and feasibility studies necessary to the issuance of the Bonds.

"Lease Term" or "Term of Agreement" means the duration of the leasehold estate granted in Section 12.1 hereof and any renewal thereof as provided herein.

"Permitted Encumbrances" means, as of any particular time, (i) the Financing Documents, (ii) liens for taxes, assessments or other governmental charges or levies not due and payable or which are currently being contested in good faith by appropriate proceedings, (iii) utility, access and other easements and rights of way, party walls, restrictions and exceptions that may be granted or are permitted

under this Agreement, (iv) any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right or purchase money security interest if payment is not yet due and payable under the contract in question, (v) those matters reflected on Exhibit "E" attached hereto and made a part hereof, and (vi) any financing statements or continuations thereof which are filed to perfect the security interest granted in the Indenture.

"Prior Lien Bonds" means the following obligations issued by the Lessee pursuant to the General Fee Revenue Indenture:

a) Series 2016-A Bonds. The General Fee Revenue Refunding Bonds, Series 2016-A, dated the date of issuance currently outstanding in the aggregate principal amount of \$217,930,000.

b) Series 2015-B Bonds. The General Fee Revenue Refunding Bonds, Series 2015-B currently outstanding in the aggregate principal amount of \$38,580,000.

c) Series 2015-A Bonds. The General Fee Revenue Refunding Bonds, Series 2015-A currently outstanding in the aggregate principal amount of \$115,990,000.

d) Series 2014-A Bonds. The General Fee Revenue Bonds, Series 2014-A currently outstanding in the aggregate principal amount of \$65,735,000.

e) Series 2012 Bonds. The General Fee Revenue Bonds, Series 2012-A and its General Fee Revenue Bonds, Series 2012-B (Taxable) (together, the "Series 2012 Bonds") currently outstanding in the aggregate principal amount of \$97,650,000.

f) Series 2011-A Bonds. The General Fee Revenue Bonds, Series 2011-A currently outstanding in the aggregate principal amount of \$45,440,000.

g) Series 2009 Bonds. The General Fee Revenue Refunding Bonds, Series 2009 currently outstanding in the aggregate principal amount of \$61,490,000.

h) Series 2008 Bonds. The General Fee Revenue Bonds, Series 2008 currently outstanding in the aggregate principal amount of \$6,760,000.

i) Parity Bonds. Under the terms of the General Fee Trust Indenture, the Lessee has reserved the right to issue additional obligations payable from General Fee Revenues and the Lessee's obligation to make lease payments from General Fee Revenues to the Lessor is subject and subordinate to the prior pledge thereof in favor of the Prior Lien Bonds which includes future parity obligations issued pursuant to the General Fee Trust Indenture.

"Project" shall mean the Real Property, including the Project Site, the Improvements and the Equipment, acquired or to be acquired, constructed, equipped, owned or to be owned by the Lessor and to be leased to the Lessee pursuant hereto as a new educational complex and related ancillary improvements or other purposes consistent with the provisions of the Act and the Code, as such Real Property, Project Site, Improvements and Equipment may at any time exist, and all other property and rights referred to or intended so to be in Demising Clauses I through III, inclusive, of Section 4.1 hereof.

"Project Site" means the real property described on Exhibit B hereto and any other real property that under the terms hereof constitutes a part of the Project Site.

"Project Supervisor" shall mean the Project Supervisor described in Section 3.2(f) hereof appointed by Auburn pursuant to the Resolution.

“Real Property” means the real property described on Exhibit A hereto.

“Rebate Fund” means the Rebate Fund created in Section 5.10 of the Indenture.

“Rentals” means (a) the Basic Rent and all additional rental payments required by Section 4.2 of this Agreement; (b) all other moneys received or to be received by the Lessor or the Trustee in respect of payment of Rentals but excluding moneys in the Rebate Fund and any investment thereof; (c) any moneys and investments in the Project Fund and (d) all income and profit of the foregoing moneys.

“Reserved Rights” means amounts payable to the Lessor under Sections 4.2(b), 4.2(h), 8.2 and 9.4 hereof.

“Resolution” shall mean the Resolution of the Board of Trustees approving, among others, this Agreement duly adopted on June 9, 2017.

“State” means the State of Alabama.

“Unimproved” when used with reference to the Real Property, means any part or parts of the Real Property upon the surface of which no part of a building or other structure rests.

“University Representative” shall mean the University Representative described in Section 3.2(f) hereof, appointed by Auburn pursuant to the Resolution.

SECTION 1.2. Uses of Phrases. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, the words “Bond,” “Bondholder,” “Owner,” “registered owner” and “person” shall include the plural as well as the singular number, and the word “person” shall include corporations and associations, including public bodies, as well as persons. Any percentage of Bonds, specified herein for any purpose, is to be figured on the unpaid principal amount thereof then Outstanding. All references herein to specific Sections of the Code refer to such Sections of the Code and all successor or replacement provisions thereto.

ARTICLE II

REPRESENTATIONS, COVENANTS AND WARRANTIES

SECTION 2.1. Representations, Covenants and Warranties of the Lessor. The Lessor represents, covenants and warrants that:

(a) The Lessor is a public corporation duly existing under the laws of the State of Alabama, specifically Chapter 18 of Title 16 of the CODE OF ALABAMA 1975, as amended (the “Act”). Under the provisions of the Act, the Lessor is authorized to enter into the transactions contemplated by this Agreement and the Indenture and to carry out its obligations hereunder and thereunder.

(b) The Lessor covenants that it will not pledge the amounts derived from this Agreement other than as contemplated by the Indenture.

(c) The Lessor has determined that the issuance of the Bonds, the acquisition, construction and equipping of the Project and the leasing of the Project to the Lessee are in furtherance of the objects and purposes of the Lessor and of the Act under which the Lessor was

incorporated and will promote the construction of educational and related facilities.

(d) The Bonds will be issued and delivered contemporaneously with the delivery of this Agreement.

(e) The Lessor is not in default under any of the provisions contained in its certificate of incorporation, its by-laws, or in the laws of the State. By proper corporate action the Lessor has duly authorized the execution and delivery of this Agreement, the Indenture, and the Bonds.

(f) The Project is wholly located within the corporate limits of the City.

(g) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessor or any of its officers, nor to the best knowledge of the Lessor is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially adversely affect the transactions contemplated by this Agreement or which would adversely affect, in any way, the validity or enforceability of the Bonds, this Agreement or any agreement or instrument to which the Lessor is a party

(h) The proceeds from the sale of the Bonds will be used only for payment of (i) Costs of the Project and (ii) the other Costs permitted in the Indenture, the Act and hereunder, all as more fully provided in the Indenture and this Agreement.

(i) The Lessor will fully and faithfully perform all the duties and obligations which the Lessee has covenanted and agreed in the Indenture to cause the Lessor to perform and any duties and obligations which the Lessor is required in the Indenture to perform. The foregoing shall not apply to any duty or undertaking of the Lessee which by its nature cannot be delegated or assigned.

(j) All building permits required for the construction of the Project have been obtained or will be obtained and will be maintained in full force and effect, and all utility services (including water supply, storm and sanitary sewerage, electric, and telephone facilities) necessary for the operation of the Project for its intended purposes are or will be available.

SECTION 2.2. Representations, Covenants and Warranties of the Lessee. The Lessee represents, covenants and warrants that:

(a) The Lessee is an Alabama corporation and public educational institution under the laws of the State. The Lessee has the corporate power to enter into this Agreement, and has duly authorized the execution and delivery of this Agreement. The Lessee has full constitutional and statutory power to enter into this Agreement. The Board of Trustees of the Lessee has duly approved this Agreement as required by the Act pursuant to the Resolution.

(b) Neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated hereby and thereby, nor the fulfillment of or compliance with the terms and conditions hereof or thereof conflicts with or results in a breach of the terms, conditions, or provisions of any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound, or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien, charge or encumbrance whatsoever upon any of the property or assets of the Lessee under the terms of any such instrument or agreement.

(c) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, known to be pending or threatened against or affecting the Lessee or any of its officers, nor to the best knowledge of the Lessee is there any basis therefor, wherein an unfavorable decision, ruling, or finding would materially adversely affect the transactions contemplated by this Agreement or which would adversely affect, in any way, the validity or enforceability of the Bonds, this Agreement or any agreement or instrument to which the Lessee is a party.

(d) The Project is of the type authorized and permitted by the Act, and its estimated Cost is not less than \$[principal amount]. The Lessee intends to operate the Project in such a manner that it will constitute an "ancillary facility" within the meaning of the Act. At no time during the term of this Agreement shall the Project be used for primarily commercial purposes. The Ancillary Improvements will be designed and operated for the use and benefit of the Lessee's faculty, staff, employees, and students.

(e) The Lessee will not permit any change in use of the Real Property, while subject to the lien of the Indenture, or the Project that will cause the Bonds to become taxable. Prior to any change in use, the Lessee will obtain an opinion of Bond Counsel to such effect.

(f) The Lessee will use due diligence to cause the Project to be operated, operated in accordance with the Act and the other laws, regulations and ordinances of the State or the federal government and the departments, agencies and political subdivisions thereof; including Section 504 of the Rehabilitation Act of 1973 and the Americans with Disabilities Act of 1990, as amended.

(g) The Lessee will fully and faithfully perform all the duties and obligations which the Lessor has covenanted and agreed in this Agreement and the Indenture to cause the Lessee to perform and any duties and obligations which the Lessee is required in this Agreement and the Indenture to perform. The foregoing shall not apply to any duty or undertaking of the Lessor which by its nature cannot be delegated or assigned.

(h) The Lessee will obtain all regulatory approvals and permits required under federal and state law to operate the Project as an educational facility.

(i) The Lessee has conducted sufficient due diligence on the Real Property to its satisfaction.

(j) The Lessee approves and understands that the Project will be subject to a foreclosable mortgage pursuant to the Indenture.

SECTION 2.3. Certificate and Agreement Regarding the Tax-Exempt Status of the Bonds. The Lessee hereby represents, warrants and agrees that the Tax Certificate and Agreement of the Lessor and the Lessee executed and delivered by the Lessee concurrently with the issuance and delivery of the Bonds is true, accurate and complete in all material respects as of the date on which executed and delivered.

SECTION 2.4. Notice of Determination of Taxability. Promptly after the Lessee first becomes aware of any Determination of Taxability, the Lessee shall give written notice thereof to the Lessor and the Trustee.

SECTION 2.5. No State Obligation. The Agreement will not under applicable provisions of the Alabama Constitution of 1901, as amended, (including particularly, but without limitation, Section 213 thereof), constitute a debt or obligation of the State.

ARTICLE III

ISSUANCE OF THE BONDS; ACQUISITION OF THE PROJECT

SECTION 3.1. Agreement to Issue the Bonds; Application of Bond Proceeds. In order to provide funds for the payment of the Costs of the Project, the Lessor, concurrently with the execution of this Agreement, will issue, sell, and deliver the Bonds and deposit the net proceeds of the sale of the Bonds with the Trustee in the Project Fund.

SECTION 3.2. Agreement to Acquire Project.

(a) The Lessor and Lessee each acknowledge that the Project shall be subject to, and the parties shall comply with, all applicable requirements of State law respecting the bidding and award for public works. When all necessary permits, licenses and all necessary approvals from Lessor and Lessee have been obtained, the Lessor shall promptly begin construction of the Improvements and expects to complete said construction within approximately _____ days from the date hereof. The Lessor shall cause the Bond proceeds to be advanced for the purchase of the Property; due diligence work; design; supervision and construction of the Improvements and Equipment by withdrawal from the Project Fund, in accordance with the requirements of the Indenture, for the payment of Costs of the Project at such times and in such amounts as shall be approved by the Lessee. To the extent any of these expenses have been advanced by Lessor or Lessee in furtherance of the Project, such expenses shall be reimbursed to the party so advancing such payment. The Improvements shall be constructed substantially in accordance with the plans, specifications and drawings heretofore furnished to Lessee and attached hereto as Exhibit D. Lessor and Lessee, by the execution and delivery hereof, approve said plans, specifications and drawings for the Improvements. It is anticipated that the drawings and specifications, including any site plan, may be changed prior to, or during, the construction of the Improvements and that such changes may be made in the sole discretion of Lessee; provided (1) such changes or amendments will not change the nature of the Improvements to the extent that they would not qualify as "ancillary improvements" under the Act and (2) such changes or amendments would not materially affect the utility of the Improvements for their intended use.

(b) So long as the Bonds remain outstanding, all improvements which are hereafter built on the Real Property and Project Site shall be subject to the prior written approval of Lessor and Lessee, which approval shall not be unreasonably withheld or delayed. No such buildings or improvements may be commenced until Lessor and Lessee have given such approval. Lessee shall submit a preliminary set of plans and specifications for any such building or improvements (prepared by a registered architect) to Lessor at least thirty days prior to the date upon which Lessee wishes to commence construction of such additional building or other improvements. Lessor shall not be liable in damages to Lessee or any other party by reason of error or mistake in judgment or negligence of Lessor arising out of, or in connection with, the approval or disapproval of such plans and specifications.

(c) The Bond proceeds shall be used solely for the payment of (i) Costs of the Project and (ii) the other Costs permitted in the Indenture, the Act and hereunder, all as more fully provided in the Indenture and this Agreement. The Lessor will cause the Project to be constructed with all reasonable dispatch and due diligence and will cause the Project to be placed in service as promptly as practicable. The Lessor will not execute any contract or purchase orders for the Project without the prior written consent of the Lessee.

(d) The Lessee has received approval from the Alabama Department of Revenue (ADOR) to utilize the Governmental Contractor Exemption for sales and uses taxes related to the construction of the

Project. The Lessee and its representatives are responsible for filing such paperwork required by ADOR to perfect the utilization of said exemption.

(e) The Lessor will make only such changes or amendments in the plans and specifications for the acquisition and construction of the Project as may be approved in writing by the Lessee.

(f) The Lessor and the Lessee shall from time to time each appoint by written instrument an agent or agents authorized to act for each respectively in any or all matters relating to the acquisition and construction of the Project and payments to be made out of the Project Fund. One of the agents appointed by the Lessor shall be designated in writing (with a copy to the Trustee) as its Project Supervisor. The Lessee shall appoint a University Representative to, among other things, issue and execute, for and in the name of the Lessee and without any further approval of its board of trustees or any officer, employee or other agent thereof, payment requisitions on the Project Fund. Either the Lessor or the Lessee may from time to time revoke, amend or otherwise limit the authorization of any agent appointed by such party to act on such party's behalf or designate another agent or agents to act on such party's behalf, provided that there shall be at all times at least one agent authorized to act on behalf of the Lessee, and at least one agent (who shall be the Project Supervisor) authorized to act on behalf of the Lessor, with reference to all the foregoing matters. The Project Supervisor at any time designated by the Lessor is hereby irrevocably appointed as agent for the Lessor to issue and execute, for and in the name and behalf of the Lessor and without any further approval of the board of directors of the Lessor or any officer, employee or other agent thereof, payment requisitions on the Project Fund.

(g) In the event the proceeds derived from the sale of the Bonds are insufficient to pay in full all Costs of the Project, the Lessee shall be obligated to complete the acquisition and construction of the Project at its own expense and the Lessee shall pay any such deficiency; provided, however, that (i) the Lessee shall have the right to issue Additional Bonds to obtain such funds, which will result in a like increase in the Basic Rent to cover the debt service on such Additional Bonds, or (ii) modify the Plans to reduce the Costs of the Project.

SECTION 3.3. Pursuit of Remedies Against Vendors, Contractors and Subcontractors and Their Sureties.

The Lessee may, in its own name or in the name of the Lessor, prosecute or defend any action or proceeding or take any other action involving any vendor, contractor, subcontractor or surety under any contract or purchase order for acquisition and construction of the Project which the Lessee deems reasonably necessary, and the Lessor hereby irrevocably appoints the Lessee as its agent with respect to any such action or proceeding and agrees that it will cooperate fully with the Lessee and will take all action requested by the Lessee in any such action or proceeding. Any amounts recovered by way of damages, refunds, adjustments or otherwise in connection with the foregoing shall be paid into the Project Fund and applied as provided for funds on deposit therein. The Lessee will pay all costs, fees and expenses incurred which are not paid from the Project Fund; provided, however, that (i) the Lessee shall have the right to issue Additional Bonds to obtain such funds, which will result in a like increase in the Basic Rent to cover the debt service on such Additional Bonds, or (ii) modify the Plans to reduce the Costs of the Project.

SECTION 3.4. Completion of the Project.

(a) The completion of the Project shall be evidenced to the Trustee by a certificate signed by the Project Supervisor on behalf of the Lessor stating that (1) construction of the Project has been completed in accordance with the plans and specifications approved by the Lessor and the Lessee, (2) the Equipment has been acquired and installed in accordance with the Lessor's or the Lessee's instructions,

(3) all Costs of the Project have been paid, (4) all facilities and improvements necessary in connection with the Project have been acquired and installed and all costs and expenses incurred in connection therewith have been paid, and (5) the final certificate of occupancy has been issued. Notwithstanding the foregoing, such certificate shall state that it is given without prejudice to any rights against any vendor, contractor, subcontractor or other person not a party to this Agreement which exist at the date of such certificate or which may subsequently come into being. The Lessor and the Lessee will cooperate in causing such certificate to be furnished to the Trustee.

(b) After the delivery of the aforesaid certificate to the Trustee, any moneys then remaining in the Project Fund shall be applied as provided in the Indenture.

SECTION 3.5. Special Arbitrage Certifications. The Lessee and the Lessor covenant not to cause or direct any moneys on deposit in any fund or account to be used in a manner which would cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code, and the Lessee certifies and covenants to and for the benefit of the Lessor and the Owners of the Bonds that so long as there are any Bonds Outstanding, moneys on deposit in any fund or account in connection with the Bonds, whether such moneys were derived from the proceeds of the sale of the Bonds or from any other sources, will not be used in a manner which will cause the Bonds to be classified as "arbitrage bonds" within the meaning of Section 148 of the Code.

SECTION 3.6. Tax Covenant. The Lessee and Lessor, each hereby covenant for the benefit of the Bondholders that it will not take any action, or fail to take any action, if any such action or failure to take action would adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. The Lessee also covenants for the benefit of the Bondholders that it will conduct its operation of the Project in such a manner as not to subject its income from the Project to Federal income taxation.

ARTICLE IV

LEASE PROVISIONS

SECTION 4.1. Demising Clauses.

The Lessor, for and in consideration of the rents, covenants and agreements herein reserved, mentioned and contained on the part of the Lessee to be paid, kept and performed, does hereby demise and lease to the Lessee, and the Lessee does hereby lease, take and hire from the Lessor, the following property:

I.

(Real Property and Project Site)

The Real Property described on Exhibit A attached hereto and incorporated herein by reference, which Real Property includes as a part thereof the Project Site, and all other real property, or interests therein, together with all easements, permits, licenses, rights-of-way, contracts, leases, tenements, hereditaments, appurtenances, rights, privileges and immunities pertaining or applicable to said Real Property and the interests therein.

II.

(Improvements)

All buildings, structures and other improvements now or hereafter constructed or situated on the Real Property, including without limitation all buildings, structures and other improvements constructed on the Real Property with proceeds of the Bonds or with funds advanced or paid by the Lessee pursuant to this Agreement (the "Improvements"). The Improvements shall initially consist of a building which shall contain approximately 25,000 square feet for use as an educational building and related facilities in order to provide (1) educational services through the Lessee's College of Veterinary Medicine (CVM) by constructing a veterinary referral center and a teaching hospital that will provide specialty veterinary services and related educational opportunities; (2) educational services through the Lessee's affiliation with the Alabama Cooperative Extension System (extension programs) which may include a plant diagnostic laboratory, extension agent office, master gardener's resource office and facilities for holding 4-H activities for school age children; (3) research and promotion of economic development through the Lessee's Office of Vice President for Research and Economic Development which, along with a joint collaboration with Lessee's engineering school, to foster the advancement of the industrialization of processes and training for technical jobforce training; and/or (4) educational services through Lessee's aviation training center which trains students in aviation related coursework including mapping/surveying, precision agriculture, and public safety.

III. (Equipment)

The machinery, equipment, personal property and fixtures described on Exhibit C attached hereto and all other machinery, equipment, personal property and fixtures acquired with the proceeds of the Bonds, together with all personal property and fixtures acquired with the proceeds of the Bonds in substitution therefor or as a renewal or replacement thereof (the "Equipment").

SUBJECT, HOWEVER, to Permitted Encumbrances.

SECTION 4.2. Rental Payments.

(a) The Lessee hereby covenants and agrees to pay Basic Rent for the use and occupancy of the Project, as follows: on or before five Business Days prior to any Interest Payment Date for the Bonds or any other date that any payment of interest, premium, if any, or principal is required to be made in respect of the Bonds pursuant to the Indenture, including by reason of a Determination of Taxability with respect to and as defined in the Bonds, until the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, in immediately available funds, a sum which, together with any other moneys available for such payment in the Bond Fund, will enable the Trustee to pay the amount payable on such date as principal of (whether at maturity or upon redemption or acceleration or otherwise), premium, if any, and interest on the Bonds when due as provided in the Indenture.

It is understood and agreed that all Basic Rent payable by the Lessee under subsection (a) of this Section 4.2 are assigned by the Lessor to the Trustee for the benefit of the Owners of the Bonds. The Lessee assents to such assignment. The Lessor hereby directs the Lessee and the Lessee hereby agrees to pay to the Trustee at the designated office of the Trustee when due all Basic Rent payable by the Lessee pursuant to this subsection.

(b) The Lessee understands and approves that the Bond proceeds will also be used to pay the reasonable expenses of the Lessor related to the issuance of the Bonds and incurred upon the written

request of the Lessee.

(c) Subject to subsection (g) hereinafter, the Lessee will also pay, as additional rent (to the extent not paid first from the proceeds of the Bonds), the reasonable fees and expenses of the Trustee under the Indenture and all other amounts which may be payable to the Trustee under Section 9.02 of the Indenture, such amounts to be paid directly to the Trustee for the Trustee's own account as and when such amounts become due and payable.

(d) Subject to subsection (g) hereinafter, the Lessee covenants, for the benefit of the Owners of the Bonds, to pay or cause to be paid, when due, as additional rent, to the Trustee, such amounts as shall be necessary to enable the Lessor to comply with the requirements of the Indenture.

(e) In the event the Lessee should fail to make any of the rental payments required in this Section 4.2 when due, the item or installment so in default shall continue as an obligation of the Lessee until the amount in default shall have been fully paid, and the Lessee agrees to pay, subject to subsection (g) hereinafter, the same with interest thereon, to the extent permitted by law, from the date when such payment was due, at the rate of interest borne by the Bonds.

(f) Subject to subsection (g) hereinafter, this Lease constitutes what is commonly known as an absolute net lease, it being understood that Lessor shall receive the Basic Rent free and clear of any and all, liens, charges or expenses of any nature whatsoever in connection with Lessor's leasing of the Project to Lessee. All costs, expenses and obligations of every kind and nature whatsoever relating to the Project and the appurtenances thereto and the use and occupancy thereof which may arise or become due and payable during the Lease Term in accordance with the provisions hereof (whether or not the same shall become payable during the Lease Term or thereafter) shall be paid by Lessee, including all maintenance costs, repair or replacement costs and capital expenditures.

(g) All Basic Rent and other payments and obligations payable by Lessee under this Lease Agreement shall constitute necessary operating expenses of Lessee and shall be payable solely out of available funds from the General Fee Revenues (though such General Fee Revenues are not specifically pledged to the payment of Basic Rent) for such Fiscal Year. No such rental payments and other payments payable by Lessee shall be payable out of funds appropriated by the State to or for the benefit of Lessee or from funds that could cause this Agreement or the Bonds to create a debt of the State within the meaning of Section 213 of the Constitution of the State of Alabama.

(h) The obligations of the Lessee to pay Rentals by reason of a Determination of Taxability with respect to and as defined in the Bonds shall survive the termination hereof.

(i) Under the terms of the General Fee Revenue Indenture, the Lessee has reserved the right to issue additional obligations payable from General Fee Revenues and the Lessee's obligation to make lease payments from General Fee Revenues to the Lessor is subject to, and subordinate to the prior pledge thereof in favor of the Prior Lien Bonds which includes future parity obligations issued pursuant to the General Fee Revenue Indenture, provided however, that the Lessee's obligation to make lease payments hereunder from General Fee Revenues will be prior to any subsequent obligation or pledge of the General Fee Revenues under any other indenture, resolution, contract or agreement other than the prior General Fee Revenue Indenture.

SECTION 4.3. Obligations of Lessee Unconditional. The obligations of the Lessee to make the rental payments required in Section 4.2 and to perform and observe the other agreements contained herein shall be absolute and unconditional (but solely from General Fee Revenues which are not affirmatively pledged and subject to the prior pledge thereof in favor of the Prior Lien Bonds and any additional parity

obligations issued hereafter pursuant to the General Fee Revenue Indenture) and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the Lessor or the Trustee of any obligation to the Lessee, whether hereunder or otherwise, or out of any indebtedness or liability at any time owing to the Lessee by the Lessor or the Trustee, and, until such time as the principal of, premium, if any, and interest on the Bonds shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Indenture, the Lessee (i) will not suspend or discontinue any rental payments provided for in Section 4.2 hereof, (ii) will perform and observe all other agreements contained in this Agreement and (iii) except as otherwise provided herein, will not terminate the Term of Agreement for any cause, including, without limiting the generality of the foregoing, failure of the Lessee to complete the acquisition, construction, improving and equipping of the Project, the occurrence of any acts or circumstances that may constitute failure of consideration, eviction or constructive eviction, destruction of or damage to the Project, the taking by eminent domain of title to or temporary use of any or all of the Project, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State or any political subdivision of either thereof or any failure of the Lessor or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with this Agreement. Nothing contained in this Section shall be construed to release the Lessor from the performance of any of the agreements on its part herein contained, and in the event the Lessor or the Trustee should fail to perform any such agreement on its part, the Lessee may institute such action against the Lessor or the Trustee as the Lessee may deem necessary to compel performance so long as such action does not abrogate the obligations of the Lessee contained in the first sentence of this Section.

SECTION 4.4. Quiet Enjoyment. Lessor warrants that (i) it is the owner of a fee simple interest in the Project, (ii) it has full right to lease the Project, and (iii) it has no knowledge of any condemnation or threat of condemnation affecting any portion of the Project. Lessor covenants that so long as no Lessee's event of Default is continuing beyond any applicable notice and cure period, Lessee may peaceably and quietly have, hold, and enjoy the Project and all the rights granted herein through the Lease Term without hindrance by Lessor or any other person claiming through the Lessor. The Lessor warrants and agrees that it will defend the Lessee in the quiet enjoyment and peaceable possession of the Project, free from all claims of all persons claiming by, through or under the Lessor, throughout the term of this Agreement, so long as the Lessee shall perform the agreements to be performed by it hereunder, or so long as the period for remedying any failure in such performance shall not have expired.

SECTION 4.5. Maintenance and Repairs, Alterations and Improvements, Party Walls; and Liens; Utility Charges.

(a) The Lessee shall, at its own expense, (1) maintain the Project in as reasonably safe condition as its operations permit, (2) maintain the grounds, including the unimproved property, (3) maintain the Equipment in good repair and operating condition, (4) from time to time make all necessary and proper repairs, renewals and replacements thereto, including external and structural repairs, renewals and replacements, (5) pay all gas, electric, water, sewer and other charges for the operation, maintenance, use and upkeep of the Project and (6) pay all taxes, assessments and governmental charges lawfully levied upon the Project.

(b) The Lessee may, at its own expense, make structural changes, additions, improvements, alterations or replacements to the Project that it may deem desirable, provided such structural changes, additions, improvements, alterations or replacements do not change the character of the Project as an "ancillary improvement" under the Act, and that such additions, improvements, alterations or replacements will not adversely affect the utility of the Project or substantially reduce its value. All such changes, additions, improvements, alterations and replacements whether made by the Lessee or the Lessor shall become a part of the Project and shall be covered by this Agreement.

(c) The Lessee may connect or "tie-in" walls of the Improvements and utility and other facilities located on the Project Site to other structures and facilities owned or leased by it on real property adjacent to the Project Site. The Lessee may use as a party wall any wall of the Improvements which is on or contiguous to the boundary line of real property owned or leased by it, and in the event of such use, each party hereto hereby grants to the other a ten-foot easement adjacent to any such party wall for the purpose of inspection, maintenance, repair and replacement thereof and the tying in of new construction. If the Lessee utilizes any wall of the Improvements as a party wall for the purpose of tying in new construction that will be utilized under common control with the Project, the Lessee may also remove any non-loadbearing wall panel in the party wall; provided however, if the adjacent property ceases to be operated under common control with the Project, the Lessee shall, at its own expense, install wall panels similar in quality to those that have been removed. Prior to the exercise of any one or more of the rights granted by this subsection (c), the Lessee shall demonstrate to the reasonable satisfaction of the Lessor and Trustee that the operation of the Project will not be adversely affected by the exercise of such rights.

(d) The Lessor shall also, upon request of the Lessee, grant such utility and other similar easements over, across or under the Project Site as shall be necessary or convenient for the furnishing of utility and other similar services to the Project or to real property adjacent to or near the Project Site and owned or leased by the Lessee; provided that such easements shall not adversely affect the operation of the facilities forming a part of the Project.

SECTION 4.6. Removal of, Substitution and Replacement for Equipment.

If the Lessee in its sole discretion determines that any item of Equipment has become inadequate, obsolete, worn-out, unsuitable, undesirable or unnecessary in the operation of the Project, the Lessee may remove such Equipment from the Improvements or the Project Site and (on behalf of the Lessor) sell, trade in, exchange or otherwise dispose of it without any responsibility or accountability to the Lessor or the Trustee therefor, provided that the Lessee shall either:

(a) substitute and install in or on the Project Site other personal property or fixtures which shall (1) have equal or greater utility (but not necessarily the same value or function) in the operation of the Project, (2) be free of all liens and encumbrances except for purchase money liens or encumbrances reasonably acceptable to the Trustee, (3) be the sole property of the Lessor, subject to the demise hereof, (4) be held by the Lessee on the same terms and conditions as the items originally comprising the Equipment, and (5) not impair the Project or change the nature of the Project as a "project" under the Act; or

(b) forthwith upon such sale apply the price or amount obtained upon the sale of such Equipment to the redemption of the principal of the Bonds in accordance with the terms thereof, or to replacement of such Equipment as provided in Section 4.6(a).

SECTION 4.7. Installation of Machinery and Equipment Owned or Leased by the Lessee or Subject to a Security Interest in Third Parties.

(a) The Lessee, may, at its own expense, install at the Project any machinery, equipment or other personal property which will facilitate the operation of the Project. Any such property which is installed and does not constitute a part of the Project under the terms of this Agreement shall be and remain the property of the Lessee and may be removed thereby at any time; provided, that any damage to the Project occasioned by such removal shall be repaired by such party at its own expense.

(b) If (i) any machinery, equipment or other personal property is leased by the Lessee or the

Lessee shall have granted a security interest in any such property in connection with the acquisition thereof by the Lessee, (ii) such property is installed or is located on the Project Site, and (iii) such property does not constitute a part of the Project under the terms of this Lease, then the lessor of such property or the party holding a security interest therein, as the case may be, may remove such property from the Project Site even though a Default may then exist hereunder or this Agreement may have been terminated following a Default hereunder, provided, that the foregoing permission to remove shall be subject to the agreement by such lessor or secured party to repair at its own expense any damage to the Project occasioned by such removal.

SECTION 4.8. Insurance.

(a) Once constructed, the Lessee will keep the Project insured against such risks as are customarily insured against by organizations operating a project for higher education similar in size and character to the Project, including but not limited to:

(1) Insurance to the extent of the full insurable value of the Project against loss or damage by hurricane, fire, tornado, windstorm, flood and other hazards and casualties, with uniform standard extended coverage endorsement limited only as may be provided in the standard form of extended coverage endorsement at the time in use in the State.

(2) Insurance against liability for bodily injury to or death of persons and for damage to or loss of property occurring on or about the Project or in any way related to the condition or operation of the Project, in the minimum amounts of \$2,000,000 combined single limit for death of or bodily injury to any one person and for property damage, all on a per occurrence basis.

(3) Flood insurance under the national flood insurance program established by the Flood Disaster Protection Act of 1973, as at any time amended, only during such times while the Project is eligible under such program, in an amount at least equal to the principal amount of the Bonds Outstanding or to the maximum limit of coverage made available with respect to the Project under said Act, whichever is less.

(4) Title insurance in an amount equal to the initial stated amount of the Bonds, insuring the mortgage on the Project in the name of the Trustee, subject to no liens and encumbrances other than Permitted Encumbrances and such other encumbrances as shall be approved by the Lessor and the Trustee. Any proceeds of such title insurance shall be applied, to cure the title defect in respect of which such proceeds are made available or shall be deposited with the Trustee and applied to the redemption of the Bonds in accordance with the terms thereof.

(5) During the period of acquisition and construction of any part of the Project builders' risk insurance in the amount of the full replacement value of the Project against all losses which are normally covered by such builders' risk insurance. The Lessee may satisfy its obligations with respect to the builder's risk insurance by causing such insurance to be carried by a construction contractor for any part of the Project.

(b) All policies evidencing the insurance required by the terms of the preceding paragraph shall be taken out and maintained in generally recognized responsible insurance companies, qualified under the laws of the State to assume the respective risks undertaken or may, at the sole option of the Lessee, be insured under policies for the State. All such insurance policies shall name as either loss payee or additional insureds the Lessor and the mortgagee under the Indenture (as their respective interests shall appear) and shall contain, where appropriate, standard mortgage clauses providing for all losses thereunder in excess of \$100,000 to be paid to the Trustee; provided that all losses (including those in

excess of \$100,000) may be adjusted by the Lessee, subject, in the case of any single loss in excess of \$100,000, to the approval of the Lessor and the Trustee. The Lessee may insure under a blanket policy or policies and as noted above may be insured under policies for the State.

(c) Each insurance policy required to be carried by this Section shall contain, to the extent obtainable, an agreement by the insurer that (1) the Lessee may not sell, assign or dispose of any interest in such insurance, policy or any proceeds thereof, and (2) such insurer shall notify the Lessor and the Trustee if any premium is not paid when due or if any such policy is not renewed prior to the expiration thereof, and (3) such insurer shall not materially amend or cancel any such policy except on 30 days' prior written notice to the Lessor and the Trustee.

(d) The Lessee shall deposit with the Trustee a certificate or certificates of the respective insurers attesting the fact that all policies evidencing the insurance required to be carried by this Section are in force and effect. Upon the expiration of any such policy, the Lessee shall furnish to the Trustee evidence reasonably satisfactory to the Trustee that such policy has been renewed or replaced by another policy or that there is no necessity therefor under this Lease Agreement.

(e) The premiums on all insurance policies and fidelity bonds required to be carried by the provisions of this Article shall be paid by the Lessee.

(f) Any deductibles under the foregoing policies shall be paid by Lessee.

ARTICLE V

PREPAYMENT AND REDEMPTION

SECTION 5.1. Prepayment and Redemption. The Lessee shall have the option to prepay its obligations hereunder at the times and in the amounts as necessary to exercise its option to cause the Bonds to be redeemed as set forth in the Indenture and in the Bonds. The Lessee hereby agrees that it shall prepay its obligations hereunder at the times and in the amounts as necessary to accomplish the mandatory redemption of the Bonds as set forth in the Indenture and in the Bonds. The Lessor, at the request of the Lessee, shall forthwith take all steps (other than the payment of the money required for such redemption) necessary under the applicable redemption provisions of the Indenture to effect redemption of all or part of the Outstanding Bonds, as may be specified by the Lessee, on the date established for such redemption.

ARTICLE VI

TAXES

SECTION 6.1. Taxes, Other Governmental Charges and Utility Charges. The Lessee shall pay, or cause to be paid, as the same become lawfully due and payable,

(a) all ad valorem or other taxes and governmental charges of any kind whatsoever upon or with respect to the Project,

(b) all taxes and governmental charges of any kind whatsoever upon or with respect to the Project or any machinery, equipment or related property installed or brought by the Lessee or any sublessee of the Lessee therein or thereon,

(c) all utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project, and

(d) all assessments and charges made by any governmental body for public improvements that may be secured by a lien or charge on the Project;

provided, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the Lessee shall be obligated to pay only such installments as they become due and payable.

The Lessee may, at its own expense and in its own name and behalf, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments and other charges so contested to remain unpaid during the period of such contest and any appeal therefrom, unless the Lessor shall notify the Lessee that, in the opinion of Independent Counsel, because of nonpayment of any such items the Project will be materially endangered or the Project or any part thereof will be subject to loss or forfeiture, in which event such taxes, assessments or charges shall be paid promptly.

ARTICLE VII

SPECIAL COVENANTS

SECTION 7.1. No Warranty of Condition or Suitability by Lessor. LESSEE IS LEASING THE PROJECT FROM LESSOR "AS IS", "WHERE IS" AND "WITH ALL FAULTS." LESSOR MAKES NO WARRANTY OR REPRESENTATION AS TO THE PROJECT, EITHER EXPRESS OR IMPLIED, AND EXPRESSLY DISCLAIMS ANY WARRANTY OR REPRESENTATION AS TO THE PROJECT, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OR REPRESENTATION AS TO THE DESIGN, WORKMANSHIP, OPERATION, CONDITION, MERCHANTABILITY, FITNESS FOR ANY PARTICULAR PURPOSE, FREEDOM FROM CLAIMS OF INFRINGEMENT. THE LESSEE WAIVES, RELEASES, RENOUNCES, AND DISCLAIMS EXPECTATION OF OR RELIANCE ON ANY SUCH REPRESENTATIONS OR WARRANTIES.

SECTION 7.2. Further Assurances and Corrective Instruments. The Lessor and the Lessee agree that they will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for carrying out the expressed intention of this Agreement.

SECTION 7.3. Lessor and Lessee Representatives. Whenever under the provisions of this Agreement the approval of the Lessor or the Lessee is required or the Lessor or the Lessee is required to take some action at the request of the other, such approval or such request shall be given for the Lessor by an Issuer Representative and/or its Project Supervisor, as appropriate, and for the Lessee by a University Representative. The Trustee shall be authorized to act on any such approval or request.

SECTION 7.4. Financing Statements. The Lessee authorizes to be filed any and all financing statements or amendments thereof or continuation statements necessary to perfect and continue the perfection of the security interests granted in the Indenture. The Lessee shall pay all costs of filing such instruments.

SECTION 7.5. Covenant to Provide Ongoing Disclosure; Annual Audit. The Lessee shall enter into a written undertaking for the benefit of the holders of the Bonds, as required by Section (b)(5)(i) of Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (17 CFR Part 240, §240.15c2-12) (the "Rule"). The Lessee will, within two hundred and seventy (270) days following the close of each Fiscal Year, cause an audit be made by an Independent Auditor. Within ten days following the receipt of each audit report, the Lessee will place a copy on the EMMA System as described in its written undertaking and furnish to the registered owner of any of the Bonds who has filed with the Lessee a written request for the same, and each of them is granted the right to discuss the contents of the audit with the Independent Auditor (at the expense of the requesting Bondholder) making the same and to secure from such Auditor such additional information respecting the matters therein or herein set out as may be reasonably required.

ARTICLE VIII

RELEASE, SECURITY INTEREST; MORTGAGE

SECTION 8.1. Release Covenants. The Lessee releases the Lessor from and covenants and agrees that the Lessor shall not be liable for any loss or damage to property or any injury to or death of any person that may be occasioned on account of any defect in the Project or its actions at the Project. Notwithstanding the fact that it is the intention of the parties hereto that the Lessor shall not incur any pecuniary liability by reason of the terms of this Agreement or the undertakings required of the Lessor hereunder, by reason of the issuance of the Bonds, by reason of the execution of the Indenture or by reason of the performance of any act requested of the Lessor by the Lessee, including all claims, liabilities or losses arising in connection with the violation of any statute or regulation pertaining to the foregoing; nevertheless, if the Lessor should incur any such pecuniary liability, then in such event and to the extent permitted by applicable law, the Lessee shall be responsible and liable for all claims, demands or causes of action whatsoever by Lessor arising out of the same or out of any offering statement in connection with the sale or resale of the Bonds and all costs and expenses incurred in connection with any such claim or in connection with any action or proceeding brought thereon, and upon notice from the Lessor, the Lessee shall defend the Lessor in any such action or proceeding. The rights and benefits afforded to Lessor in this Section 8.1 shall additionally run in favor of the City.

SECTION 8.2. Lessor to Grant Security Interest to Trustee. The parties hereto agree that pursuant to the Indenture, the Lessor shall assign to the Trustee, in order to secure payment of the Bonds, all of the Lessor's right, title and interest in and to this Agreement, except for Reserved Rights. The Lessee agrees and consents to the foregoing assignments and to the foreclosable mortgage and pledge of the Project pursuant to the Indenture.

SECTION 8.3 Mortgaging of Property by Lessor. The Lessor has simultaneously, with the delivery of this Agreement, mortgaged the Project to the Trustee subject to this Agreement (which Lease and the estate of the Lessee hereunder shall be prior and superior to the lien of the Indenture), and has assigned its interest in and pledged any money receivable under this Agreement to the Trustee as security for payment of the principal of and the interest on the Bonds. The Lessor has in the Indenture obligated itself to follow the instructions of the Trustee or the holders of the Bonds or a certain percentage thereof in the election or pursuit of any remedies herein vested in it. The Trustee shall have all rights and remedies herein accorded to the Lessor and any reference herein to the Lessor shall be deemed, with the necessary changes in detail, to include the Trustee, and the Trustee and the holders of the Bonds are deemed to be third party beneficiaries of the covenants, agreements, and representations of the Lessee herein contained. Prior to the payment in full of the Bonds, the Lessor and the Lessee shall have no power to modify, alter, amend or terminate this Agreement without the prior written consent of the

Trustee and then only as provided in the Indenture. The Lessor will not amend the Indenture or any indenture supplemental thereto without the prior written consent of the Lessee. Neither the Lessor nor the Lessee will unreasonably withhold any consent herein or in the Indenture required of either of them. Each of the Lessor and the Lessee hereby represent that, to the best of their knowledge, respectively, the Project and the Real Property are in full compliance with all federal, state and local environmental laws, rules and regulations.

ARTICLE IX

DEFAULTS AND REMEDIES

SECTION 9.1. Defaults Defined. The following shall be "Defaults" under this Agreement and the term "Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:

(a) Failure by the Lessee to pay any amount required to be paid under subsection (a) or (d) of Section 4.2 hereof within the time required for payment under the Indenture.

(b) Failure by the Lessee to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in Section 9.1(a), for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied shall have been given to the Lessee by the Lessor or the Trustee, provided, however, if the failure stated in the notice cannot be corrected within the applicable period, then such longer period as shall be reasonably necessary provided if corrective action is instituted by the Lessee within the applicable period and diligently pursued until such failure is corrected.

(c) The dissolution or liquidation of the Lessee, or the voluntary initiation by the Lessee of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Lessee of any such proceeding which shall remain undismissed for sixty (60) days, or failure by the Lessee to promptly have discharged any execution, garnishment or attachment of such consequence as would impair the ability of the Lessee to carry on its operations at the Project, or assignment by the Lessee for the benefit of creditors, or the entry by the Lessee into an agreement of composition with its creditors or the failure generally by the Lessee to pay its debts as they become due.

(d) The occurrence of a Default under the Indenture.

The provisions of subsection (b) of this Section are subject to the following limitation: if by reason of force majeure the Lessee is unable in whole or in part to carry out any of its agreements contained herein (other than its obligations contained in Article IV hereof), the Lessee shall not be deemed in Default during the continuance of such inability. The term "force majeure" as used herein shall mean, without limitation, the following: acts of God; strikes or other industrial disturbances; acts of public enemies; orders or restraints of any kind of the government of the United States of America or of the State or of any of their departments, agencies or officials, or of any civil or military authority; insurrections; riots; landslides; earthquakes; fires; storms; droughts; floods; explosions; breakage or accident to machinery, transmission pipes or canals; and any other cause or event not reasonably within the control of the Lessee. The Lessee agrees, however, to remedy with all reasonable dispatch the cause or causes preventing the Lessee from carrying out its agreement, provided that the settlement of strikes and other industrial disturbances shall be entirely within the discretion of the Lessee and the Lessee shall not be required to settle strikes, lockouts and other industrial disturbances by acceding to the demands of the opposing party or parties when such course is in the judgment of the Lessee unfavorable to the Lessee.

SECTION 9.2. Remedies on Default. Whenever any Default referred to in Section 9.1 hereof shall have happened and be continuing, the Trustee, or the Lessor with the written consent of the Trustee, may take one or any combination of the following remedial steps:

(a) If the Trustee has declared the Bonds immediately due and payable pursuant to Section 8.02 of the Indenture, by written notice to the Lessee, declare an amount equal to all amounts then due and payable on the Bonds, whether by acceleration of maturity (as provided in the Indenture) or otherwise, to be immediately due and payable as liquidated damages under this Agreement and not as a penalty, whereupon the same shall become immediately due and payable;

(b) Reenter and take possession of the Project without terminating this Agreement, exclude the Lessee from possession thereof and sublease the Project or any part thereof, for the account of the Lessee, holding the Lessee liable for the difference in the rent and other amounts payable by such sublessee in such subleasing and the rents and other amounts payable by the Lessee hereunder;

(c) Terminate this Agreement, exclude the Lessee from possession of the Project, and, if the Issuer or Trustee elect to do so, lease the same for the account of the Lessor, holding the Lessee liable for all rent due up to the date such lease is made for the account of the Lessor;

(d) Have reasonable access to and inspect, examine and make copies of the books and records and any and all accounts, data and income tax and other tax returns of the Lessee during regular business hours of the Lessee if reasonably necessary in the opinion of the Trustee;

(e) Take whatever action at law or in equity may appear necessary or desirable to collect the amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the Lessee under this Agreement;

(f) Exercise any or all or any combination of the remedies specified in the Indenture;

(g) The Lessor or the Trustee may re-enter and take possession of the Project, without terminating this Lease Agreement, exclude the Lessee from possession thereof and sublease the Project or any part thereof, for the account of the Lessee, holding the Lessee liable for the difference in the rent and other amounts payable by such sublessee in such subleasing and the Rentals and other amounts payable by the Lessee hereunder; or

(h) The Lessor or the Trustee may, at their option terminate this Lease Agreement, exclude the Lessee from possession of the Project and, if the Lessor or Trustee elect so to do, lease the same for the account of the Lessor, holding the Lessee liable for all Rentals due up to the date such lease is made for the account of the Lessor.

Any amounts collected pursuant to action taken under this Section shall be paid into the Bond Fund and applied in accordance with the provisions of the Indenture.

SECTION 9.3. No Remedy Exclusive. Subject to Section 8.02 of the Indenture, no remedy herein conferred upon or reserved to the Lessor or the Trustee is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Lessor or the

Trustee to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be required in this Article. Such rights and remedies as are given, the Lessor hereunder shall also extend to the Trustee, and the Trustee and the Owners of the Bonds, subject to the provisions of the Indenture, shall be entitled to the benefit of all covenants and agreements herein contained.

SECTION 9.4. Agreement to Pay Attorneys' Fees and Expenses. In the event either party should default under any of the provisions of this Agreement and the other party should employ attorneys or incur other expenses for the collection of payments required hereunder or the enforcement of performance or observance of any obligation or agreement, the non-prevailing party agrees that it will on demand therefor pay to the prevailing party the reasonable fee of such attorneys and such other reasonable expenses so incurred by the prevailing party. In the event of the occurrence of a default under any of the provisions of this Agreement and the Trustee employ attorneys or incur other costs and expenses for the collection of payments required hereunder or the enforcement of performance or observance of any obligation or agreement, the Lessee agrees that it will on demand therefor pay to the Trustee the reasonable fees, costs and expenses of such attorneys and such other reasonable expenses so incurred by the Trustee.

SECTION 9.5. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

ARTICLE X

DESTRUCTION

SECTION 10.1. Lessee's Duty to Repair. Except as otherwise provided in this Article X, if the Project or any part thereof shall be damaged or destroyed by any casualty or cause whatsoever, including fire, Lessee shall promptly give written notice thereof to Lessor, and Lessee shall, at its sole cost and expense, restore, repair, or rebuild the Project to its condition and value prior to such damage or destruction with no abatement of rent. Alternatively, Lessee may, at its election, remove any damaged or destroyed portion of the Project and replace said portion with new building improvements, provided that Lessee complies with the requirements herein governing the construction of the Project. Lessee shall commence removal and reconstruction, repair, restoration, or rebuilding of the damaged or destroyed portion within one hundred eighty (180) calendar days after the occurrence of such damage or destruction, and thereafter Lessee shall diligently pursue the same to completion, subject in each instance to delays caused by adjustment of insurance and events of force majeure, in which event all insurance proceeds shall be payable to the Lessee, subject to the approval of the Trustee.

SECTION 10.2. No Termination. This Lease shall not be terminated by reason of damage resulting from a fire or any other cause to all or any part of the Project. Lessee waives all rights to terminate this Lease as a result of casualty to which Lessee may be entitled pursuant to any statute or other law that presently exists or that might be enacted in the future. Subject to the next sentence, all insurance proceeds shall be applied to the repair and restoration of the Project. To the extent there are any proceeds in excess of the cost of repairs, the same shall be deposited in the Bond Fund.

SECTION 10.3. Waiver of Subrogation. Subject to all applicable laws and remedies provided by the Lessee's insurance provider(s), Lessor and Lessee waive (to the extent that the party sustaining such loss is compensated by insurance proceeds) all rights to recover against each other, for any loss or damage

arising from any cause covered by any insurance actually carried by each of them to the extent that policy proceeds are paid; provided, however, this Section shall be inapplicable if it would have the effect, but only to the extent that it would have the effect, of invalidating any insurance coverage of Lessor or Lessee. Lessee will cause its insurer to issue an appropriate waiver of subrogation rights endorsement to all policies of insurance carried in connection with the insurance it is required to carry hereunder.

SECTION 10.4. Mandatory Redemption of Bonds. Notwithstanding anything herein to the contrary, after a casualty which damages or destroys all or substantially all of the Project, the Lessee may determine, in its sole discretion, that the Project is no longer economically viable. In such event, any insurance or other proceeds shall be deposited in the Bond Fund and applied to the redemption of Bonds in accordance with Section 3.01 of the Indenture and their terms. In the event such insurance and other proceeds are not sufficient to fully retire the Bonds, the Lessee shall pay any deficiency (but solely from General Fee Revenues and subject to the limitations set forth in Section 4.2 hereof) to the Trustee. In such event, payment shall be treated as a purchase under Section 12.2 hereof.

ARTICLE XI

CONDEMNATION

In the event that title to, or the temporary use of, the Project or any part thereof or interest therein shall be taken under the exercise of the power of eminent domain by any Governmental Authority or by any person acting under governmental authority, the Lessee shall be obligated to continue to pay Rentals, to perform its other obligations and covenants hereunder and, together with the Lessor, to cause the net proceeds received by them or the Trustee or any of them from any award made in such eminent domain proceedings to be applied, as shall be directed in writing by the Lessee within ninety (90) days from entry of a final order in such eminent domain proceedings, to:

(a) The restoration of the remaining Improvements located on the Real Property to substantially the same condition as existed prior to the exercise of said power of eminent domain; and/or

(b) The acquisition, by construction or otherwise, by the Lessor of other lands or improvements suitable for the Lessee's operations at the Project (which land or improvements shall be deemed a part of the Project and available for use and occupancy by the Lessee without the payment of any rent other than herein provided to the same extent as if such land or other improvements were specifically described herein and demised hereby);

provided, however, that if the Lessee shall determine that such restoration or acquisition is not economically viable, then the net proceeds shall be deposited into the Bond Fund and applied to the redemption of Bonds in accordance with Section 3.01 of the Indenture and their terms, and, at Lessee's election, the purchase of the Property pursuant to Article XVII hereof. In the event that the net proceeds are not sufficient to fully retire the Bonds, the Lessee shall pay any such deficiency to the Trustee (but solely from General Fee Revenues and subject to the limitations set forth in Section 4.2 hereof) and shall be treated as an exercise of the Option under Section 12.2 hereof.

In the event that the net proceeds are not sufficient to pay in full the costs of such restoration or acquisition, the Lessee will nonetheless pay that portion of the costs thereof (but solely from General Fee Revenues and subject to the limitations set forth in Section 4.2 hereof) in excess of the amount of said proceeds or will pay to the Lessor and the Trustee the moneys necessary to complete said work, in which case the Lessor will proceed so to complete said work. The Lessee shall not, by reason of the payment of such excess costs (whether by direct payment thereof or payment to the Lessor or Trustee therefor), be

entitled to any reimbursement from the Lessor or any abatement or diminution of the Rentals payable hereunder.

Any balance of the net proceeds of the award in such eminent domain proceedings remaining after the application thereof as hereinabove provided shall be deposited in the Bond Fund, or of the Bonds are fully retired, shall be released to the Lessee.

The Lessor shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceedings with respect to the Project or any part thereof and will, to the extent it may lawfully do so, permit the Lessee to litigate in any such proceeding in the name and behalf of the Lessor, through counsel of Lessee's own choice; provided, however, the Lessor may participate through its own separate counsel in any such defense, for the cost of which the Lessee shall be responsible. In no event will the Lessor voluntarily settle, or consent to the settlement of, any prospective or pending condemnation proceeding with respect to the Project or any part thereof without the written consent of the Lessee.

ARTICLE XII

TERM OF AGREEMENT; OPTIONS TO PURCHASE; RENEWAL OPTIONS

SECTION 12.1. Term. This Agreement shall remain in full force and effect from the date hereof until 20____ and such time as all of the Bonds and the fees and expenses of the Lessor and the Trustee shall have been fully paid or provision made for such payments, provided, however, that this Agreement may be terminated prior to such date pursuant to Article V of this Agreement, but in no event before all of the obligations and duties of the Lessee hereunder have been fully performed, including, without limitation, the payments of all costs and fees mandated hereunder.

SECTION 12.2. Purchase Option. If the Lessee pays the rentals herein required, or if provision is made for payment of the Bonds in accordance with the provisions of the Indenture, the Lessee shall have the right and option, herein granted by the Lessor, to purchase the Project from the Lessor at any time during the term of the Agreement, as may be extended by the parties, after or simultaneously with payment (or provision for payment in accordance with the Indenture) in full of the principal of and the interest and premium (if any) on the Bonds and all fees, charges and disbursements of the Trustee, accrued and to accrue until the date of such full payment, at and for a purchase price of \$100 plus the related costs and expenses (including reasonable attorneys' fees) incurred by the Lessor in connection with the Lessee's exercise of such option. To exercise any such purchase option, the Lessee shall notify the Lessor and the Trustee in writing not less than thirty (30) days prior to the date on which it proposes to effect such purchase and, on the date of such purchase, shall pay the aforesaid purchase price to the Lessor in cash, whereupon the Lessor will, by bills of sale and statutory warranty deed or other appropriate instruments, transfer and convey the Project (in its then condition, whatever that may be) to the Lessee, subject only to Permitted Encumbrances, those to the creation or suffering of which the Lessee incurred or consented and those resulting from the failure of the Lessee to perform or observe any of the agreements or covenants on its part herein contained. Nothing herein contained shall be construed to give the Lessee any right to any rebate to or refund of any rental paid by it hereunder prior to the exercise by it of the purchase option hereinabove granted, even though such rental may have been wholly or partially prepaid.

SECTION 12.3. Option to Renew.

If the Lessee pays the rental herein reserved to the Lessor and is not otherwise in default hereunder, this Lease Agreement shall be automatically renewed or extended beyond 20____ for an

additional _____ year term ending 20_____. The cash rental payable by the Lessee during such renewal term shall be the sum of \$100 per year, payable in advance, but otherwise all of the terms and conditions herein contained shall apply during such renewal term; except that the provisions of Section 10.1, Article XI and Section 12.4(c) shall not apply (except that Lessee shall have the continued right to purchase the Property pursuant to Section 12.4 at any time during such extension) and except further that the Lessee shall not be required to carry any insurance for the benefit of the Trustee, but shall be required to carry insurance under Section 4.8 for the benefit of the Lessor as its interest may appear.

SECTION 12.4. Option to Purchase Unimproved Real Property. The Lessee shall have, and is hereby granted, the option to purchase, or to direct the Lessor to sell to the Lessee's designee, any Unimproved part of the Real Property at any time and from time to time, provided that it furnishes the Lessor with the following:

(a) A notice in writing containing (i) an adequate legal description of that portion of the Real Property with respect to which such option is to be exercised; (ii) a statement that the Lessee intends to exercise its option to purchase, or to direct the Lessor to sell to the Lessee's designee, such portion of the Real Property on a date stated, which shall not be less than forty-five (45) nor more than ninety (90) days from the date of such notice; and, if applicable (iii) the name of the Lessee's designee to which the Lessor shall convey the property;

(b) A certificate of an Independent Engineer who is acceptable to the Trustee, dated not more than ninety (90) days prior to the date of the purchase and stating that, in the opinion of the person signing such certificate, (i) the portion of the Real Property with respect to which the option is exercised is not needed for the operation of the Project for the purposes hereinabove stated and (ii) the purchase thereof will not impair the usefulness of the Project and will not destroy the means of ingress thereto and egress therefrom;

(c) The purchase price for that portion of the Real Property being purchased, equal to \$_____ per acre and shall be applied, in invoice order of maturity, to the redemption of a portion of the Bonds on the earliest possible redemption date;

(d) An opinion of national recognized Bond Counsel to the effect that the sale of such Unimproved Real Property and the proposed use thereof will not cause the interest on the Bonds to be included as gross income under Section 103 of the Code and the applicable regulations thereunder; and

(e) A written description of the proposed use and users of the purchased Real Property, provided, however, that any such use or users be consistent with the Lessee's educational mission, and

(f) The written approval of the City which shall not be unreasonably withheld, such approval of which may be obtained in advance and any proposed use or user comply with the preceding subsection (e).

Upon receipt of the notice, opinion, certificates and purchase price required in this Section to be furnished to it by the Lessee, the Lessor will promptly convey that portion of the Real Property with respect to which the Lessee shall have exercised the option granted to it in this Section subject only to the following: (a) Permitted Encumbrances ; (b) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented; (c) those liens and encumbrances resulting from the

failure of the Lessee to perform or observe any of the agreement on its part contained in the Agreement. The Lessee shall not be entitled to any abatement or diminution of the Rentals payable under this Lease Agreement. If such option related to Real Property on which transportation or utility facilities are located, the Lessor shall retain an easement to use such transportation or utility facilities to the extent necessary for the continued efficient operation of the Project.

SECTION 12.5. City's Right of First Refusal to Purchase any Unimproved Real Property in the Event the Lessee Subsequently Sells Any Unimproved Real Property. [The City would like to reserve the right to continue this discussion].

ARTICLE XIII

TRANSFERS

SECTION 13.1. Assignment, Sale and Subletting by Lessee.

(a) Lessee shall not assign this Lease or sell or sublease the Project or any part thereof (except in the ordinary course of business), without the prior written consent of Lessor and the City which consents may not be unreasonably withheld, conditioned or delayed, and any attempt to do any of the foregoing without the prior written consent of Lessor and said City shall be void and of no effect. In the event Lessee requests Lessor and the City to consent as to any such assignment, sale, sublease or other transaction, a signed counterpart of all instruments relative thereto (executed by all parties to such transaction with the exception of Lessor) shall be submitted by Lessee to Lessor prior to, or contemporaneously with, the request for Lessor's consent. The proposed use of the Project must in all events be in compliance with the requirements of the Act, the Code and the terms and conditions of this Lease. If the transaction is an assignment, Lessee must deliver to Lessor, following consent of Lessor, an assignment of the Lease pursuant to which the assignee assumes all obligations of Lessee under this Lease, or if the transaction is a sublease, Lessee must deliver to Lessor following consent a copy of the sublease which by its terms is subordinate to this Lease.

(b) Consent by Lessor to a particular sale, assignment or sublease or other transaction shall not be deemed a consent to any other or subsequent sale, assignment, sublease or other transaction. If this Lease is assigned or if the Project is subleased or in the event of the grant of any concession or license within the Project without the prior consent of Lessor and City, or if the Project is occupied in whole or in part by anyone other than Lessee without the prior consent of Lessor and City, Lessor may nevertheless collect rent from the assignee, lessee, concessionaire or licensee or other occupant and apply the net amount collected to the Rentals payable hereunder, but no such transaction or collection of Rentals or application thereof by Lessor shall be deemed a waiver of the provisions of this Lease or release of Lessee from the further performance by Lessee of its covenants, duties and obligations hereunder.

(c) Notwithstanding anything herein to the contrary, Lessee shall not be relieved of any of its obligations under this Agreement upon any permitted sale or sublease of the Project or any assignment of the Lease.

SECTION 13.2. Estoppel Certificate of Lessee. Within ten (10) days after each request by Lessor, Lessee shall execute and acknowledge and deliver to Lessor, or any other person specified by Lessor, an estoppel certificate. Lessor, any mortgagee, any assignee of a mortgagee, any purchaser, or any other person specified by the requesting party may rely upon an estoppel certificate executed by the other. The estoppel certificate shall contain the following information, together with any other information reasonably requested by Lessor:

- (a) Lessee is in possession of the Project.
- (b) This Lease is in full force and effect.
- (c) This Lease is unmodified (or if this Agreement has been modified, then describing the modification).
- (d) Whether or not, to the knowledge of the signer of such certificate, a Default has occurred or whether Lessor has failed to perform any covenant, agreement or condition contained in this Lease which, if not timely cured, will cause a Default, and if so, specifying each such Default or failure to perform of which the signer may have knowledge.
- (e) The dates, if any, to which Rentals have been paid in advance.

SECTION 13.3. Estoppel Certificate of Lessor. Within ten (10) days after each request by Lessee, Lessor shall execute and acknowledge and deliver to Lessee, or any other person specified by Lessee, an estoppel certificate. Lessee, any mortgagee, any assignee of a mortgagee, any purchaser, or any other person specified by the requesting party may rely upon an estoppel certificate executed by the other. The estoppel certificate shall contain the following information, together with any other information reasonably requested by Lessee:

- (a) This Lease is in full force and effect.
- (b) This Lease is unmodified (or if this Lease has been modified, then describing the modification).
- (c) Whether or not, to the knowledge of the signer of such certificate, a Default has occurred or whether Lessee has failed to perform any covenant, agreement or condition contained in this Lease which, if not timely cured, will cause a Default, and if so, specifying each such Default or failure to perform of which the signer may have knowledge.
- (d) The dates, if any, to which Rentals have been paid in advance.

ARTICLE XIV

MISCELLANEOUS

SECTION 14.1. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, addressed as follows:

If to the Lessor: The Public Educational Building Authority of
 The City of Gulf Shores, Alabama
 P.O. Box 299
 Gulf Shores, Alabama 36547
 Attn: Chairman of The Authority

Bradley Arant Boult Cummings LLP
 1819 Fifth Avenue North, Ste. 200

Birmingham, Alabama 35203
Attn: Lee Birchall
Telephone: (205) 521-8119
e-mail: lbirchall@bradley.com

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
505 20th Street North, Suite 950
Birmingham, Alabama 35203

If to the Lessee: Auburn University
101 Samford Hall
Auburn University, Alabama 36849-5163
Attention: President
Telephone Number: (334) 844-4650
Facsimile Number: (334) 844-6179

Auburn University
101 Samford Hall
Auburn University, Alabama 36849-5163
Attention: Director of Real Estate
Telephone Number: (334) 844-7100
Facsimile Number: (334) 844-4575

Balch & Bingham, LLP
105 Tallapoosa Street Suite 200
Montgomery, Alabama 36104
Attention: James M. Edwards, Esq.
Telephone Number: (334)269-3121
e-mail: jedwards@balch.com

A duplicate copy of each notice, certificate or other communication given hereunder by the Lessor or the Lessee shall also be given to the Trustee. The Lessor, the Lessee and the Trustee may, by written notice given hereunder, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 14.2. Binding Effect. This Agreement shall inure to the benefit of and shall be binding upon the Lessor, the Lessee, the Trustee, the Owners of Bonds and their respective successors and assigns.

SECTION 14.3. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

SECTION 14.4. Amounts Remaining in Funds. Subject to the provisions of the Indenture, it is agreed by the parties hereto that any amounts remaining in the Bond Fund, or any other fund (other than the Rebate Fund) created under the Indenture upon expiration or earlier termination of this Agreement, as provided in this Agreement, after payment in full of the Bonds (or provision for payment thereof having been made in accordance with the provisions of the Indenture) and the fees and expenses of the Lessor and Trustee hereunder and in accordance with the Indenture, shall belong to and be paid to the Lessee by the Trustee.

SECTION 14.5. Amendments, Changes and Modifications. Subsequent to the issuance of Bonds and prior to their payment in full (or provision for the payment thereof having been made in accordance with the provisions of the Indenture), and except as otherwise herein expressly provided, this Agreement may not be effectively amended, changed, modified, altered or terminated without the written consent of the Trustee in accordance with the provisions of the Indenture.

SECTION 14.6. Execution in Counterparts. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

SECTION 14.7. Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State, without regard to conflict of law principles.

SECTION 14.8. Captions. The captions and headings in this Agreement are for convenience only and in no way define, limit or describe the scope or intent of any provisions or Sections of this Agreement.

SECTION 14.9. Absolute Net Lease. This Agreement shall be deemed an "absolute net lease," and the Lessee shall pay the Rentals and other amounts specified herein, without abatement, deduction or set-off.

SECTION 14.10. Exemption. Notwithstanding any other provisions of this Lease Agreement, Lessee does not release or waive, expressly or by implication, its right to assert sovereign immunity or any other affirmative or defensive claim it may have under law.

SECTION 14.11. Restrictions on Lessee's Activities.

(a) Lessee will not use or permit all, or any part of the Project, to be used for any purposes contrary to the Act, the Code or the provisions of this Agreement.

(b) The Lessee will not permit any of its agents or invitees to bring in or on the Real Property any material that is then defined as a Hazardous Substance under Section 1.1 hereof, unless used in the course of and in connection with the Lessee's business and then only if used in accordance with all Applicable Laws.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the Lessor and the Lessee have caused this Agreement to be executed in their respective corporate names and their respective corporate seals to be hereunto affixed and attested by their duly authorized officers, all as of the date first above written.

THE PUBLIC EDUCATIONAL BUILDING
AUTHORITY OF THE CITY OF GULF
SHORES, ALABAMA

(SEAL)

Attest:

By: _____
Its Chairman

By: _____
Its Secretary

AUBURN UNIVERSITY

(SEAL)

Attest:

By: _____
Title _____

By: _____
Title _____

STATE OF ALABAMA)
)
BALDWIN COUNTY)

I, the undersigned, a Notary Public in an for said County, in said State, hereby certify that _____, whose name as Chairman of The Public Educational Building Authority of the City of Gulf Shores, 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 said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said Authority.

Given under my hand and seal this ____ day of _____, 2017.

Notary Public

NOTARIAL SEAL

My Commission expires: _____

STATE OF ALABAMA)
)
LEE COUNTY)

I, the undersigned, a Notary Public in an for said County, in said State, hereby certify that _____, whose name as President of Auburn University is signed to the foregoing instrument, and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said entity.

Given under my hand and seal this ____ day of _____, 2017.

Notary Public

NOTARIAL SEAL

My Commission expires: _____

EXHIBIT A

Real Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE COUNTY OF **BALDWIN**
STATE OF **Alabama**, AND IS DESCRIBED AS FOLLOWS:

Tax Parcel Identification Number: **05-61-05-22-0-000-002.012**

Commence at an old 1/2 inch iron pipe at the long established and locally accepted Southwest corner of Section 22, Township 8 South, and Range 4 East, Saint Stephens Meridian and run thence North 89°53'42" East, along the established South boundary of said Section 22, a distance of 1334.46 feet to an iron pin marker; thence continue North 89°53'42" East, along said Section line, a distance of 1520.00 feet; thence run North 00°50'57" East, a distance of 120.01 feet to a point on the North right-of-way of proposed Baldwin County Highway No. 8 for a Point of Beginning; thence run North 89°53'42" East, a distance of 781.08 feet; thence run North 44°30'24" East, a distance of 70.23 feet; thence run North 00°52'53" East, a distance of 198.63 feet; thence run North 03°33'57", a distance of 248.52 feet to a point on the West margin of the Foley Beach Express; thence run North 00°50'57" West, along the West margin of said Foley Beach Express, a distance of 845.61 feet to an iron pin marker; thence run South 89°53'42" West, a distance of 850.07 feet; thence run South 00°50'57" East, a distance of 1342.26 feet to the Point of Beginning. Property being located in Baldwin County, Alabama.

{BH306851.4}

EXHIBIT B

Project Site

EXHIBIT C

Equipment

EXHIBIT D

Plans and Specifications