

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

NOVEMBER 15, 2024

**SCHEDULE AND AGENDA
NOVEMBER 15, 2024 BOARD MEETING
AUBURN UNIVERSITY BOARD OF TRUSTEES**

I. Call to Order and Opening Remarks

II. Committee Meetings

A. Property and Facilities Committee | Chairperson DeMaioribus

Project Approvals:

1. Gulf Coast Engineering Research Station – New Building, Final Approval
2. College of Human Sciences Academic and Research Facility, Architect Selection
3. Comer Hall Comprehensive Renovation, Project Initiation and Architect Selection

Real Estate Approvals:

4. Approval of Sale of Auburn University Property at the Lower Coastal Plain Experiment Station in Wilcox County and Turnipseed-Inkberry Property, Bullock County, Alabama
5. Authority to Purchase Land in Auburn, Alabama

Informational Reports:

6. Status Updates – *For Information Only*
 - a. Current Status of New Construction/Renovation/Infrastructure Projects with Budgets of \$1,000,000 and Greater
 - b. Quarterly Report for Projects Costing More than \$500,000 but Less than \$1,000,000 – 4th Quarter, Fiscal Year 2024
 - c. Project Status Report

B. Joint Property & Facilities and Finance Committee | Chairperson W. Smith

1. Auburn University Applied Research Laboratory in Huntsville, Alabama – Approval of Lease Agents, Financing and Advance Agreement, and Related Agreements

C. Academic Affairs Committee | Chairperson Huntley

1. Agenda Item for the Board of Trustees – *For Information Only* (Vini Nathan)

D. Executive Committee | Chairperson Dumas

1. Proposed Awards and Namings

E. Trustee Reports

III. Regular Meeting of the Board of Trustees

IV. Proposed Executive Session

V. Reconvened Meeting of the Board of Trustees

1. Approval of the Minutes of the September 6, 2024 Board Meeting
2. Awarding of Degrees for Fall 2024
3. AUM Chancellor's Report
4. President's Report
5. Action Items and Committee Meeting Reports

A. Property and Facilities Committee

1. Gulf Coast Engineering Research Station – New Building, Final Approval
2. College of Human Sciences Academic and Research Facility, Architect Selection
3. Comer Hall Comprehensive Renovation, Project Initiation and Architect Selection
4. Approval of Sale of Auburn University Property at the Lower Coastal Plain Experiment Station in Wilcox County and Turnipseed-Inkberry Property, Bullock County, Alabama
5. Authority to Purchase Land in Auburn, Alabama

B. Joint Property & Facilities and Finance Committee

1. Auburn University Applied Research Laboratory in Huntsville, Alabama – Approval of Lease Agents, Financing and Advance Agreement, and Related Agreements

C. Executive Committee

1. Proposed Awards and Namings

VI. Recess Meeting

President *Pro Tempore* Riggins convened a meeting of the Board of Trustees of Auburn University on Friday, November 15, 2024 at 8:30 a.m. in the Legacy Ballroom of The Hotel at Auburn University and Dixon Conference Center.

President *Pro Tempore* Riggins then called upon Board Secretary Jon Waggoner to call the roll. The following voting board members were deemed to be in attendance:

Ms. Caroline M. Aderholt; Mr. William P. Ainsworth; Mr. Michael A. DeMaioribus; Mr. Robert W. Dumas; Mr. James R. Pratt, III; Mr. Quentin P. Riggins; Mr. B.T. Roberts; Mr. M. Clark Sahlie; Mr. James H. Sanford; Mr. Wayne T. Smith; Mr. Zeke W. Smith; Mr. Timothy Vines; and Mr. Walter S. Woltosz.

Governor Kay Ivey, President of the Board; and Mr. James W. Rane were absent from the meeting.

The individuals listed above represent all persons recognized as voting board members at the time of the meeting.

President *Pro Tempore* Riggins welcomed those serving on the Board *ex officio* as follows: Dr. Lisa Kensler, Faculty Advisor to the Board of Trustees from the Auburn University campus; Dr. Tim Kroft, Faculty Advisor to the Board of Trustees from the Auburn University at Montgomery campus; Mr. Jack Hilton, President of the Auburn University Student Government Association; and Ms. Emma Jankowski, the President of the Auburn University at Montgomery Student Government Association.

Also sitting with the Board were the following persons: Dr. Christopher B. Roberts, Auburn University President; and Mr. Jon G. Waggoner, Secretary to the Board of Trustees.

The following persons were also in attendance at the meeting: Dr. Vini Nathan, Provost and Senior Vice President for Academic Affairs; Ms. Kelli Shomaker, Senior Vice President for Business & Administration and Chief Financial Officer; Dr. Bobby Woodard, Senior Vice President for Student Affairs; Ms. Jaime Hammer, General Counsel; Mr. Jim Carroll, Vice President for Facilities Management; Dr. Carl Stockton, Chancellor of AUM; Mr. Mark Stirling; Director of Auburn University Real Estate; Dr. Joffrey Gaymon, Vice President for Enrollment; Dr. Jared White, Vice President for Governmental Affairs; Mr. Jim O'Connor, Vice President for Information Technology and Chief Information Officer; and Dr. Jennifer Adams, Executive Director of Public Relations.

President *Pro Tempore* Riggins welcomed the following persons that serve Auburn University and AUM in various capacities: Dr. Lori Eckhardt, Academic Affairs Committee Faculty Representative; Dr. Michelle Worosz, Agriculture and Natural Resources Committee Faculty Representative; Dr. Rolando Carol, AUM Faculty Senate President; Dr. Elizabeth Davis-Sramek, Finance Committee Faculty Representative; Dr. Tewhan Hahn, Finance Committee Faculty Representative; Dr. Jason Bryant, Institutional Advancement Committee Faculty Representative; Dr. Darren Olson, Property and Facilities Committee Faculty Representative; Dr. Reginald Blockett, Student Affairs Faculty Representative; Dr. Paul Fox,

Student Affairs Faculty Representative; Mr. Thomas Sawyer, Chair of the Auburn University Administrative & Professional Assembly; Ms. Kimberly McCadden, Chair of the Auburn University Staff Council; Dr. Gilbert Duenas, President of the AUM Faculty Senate; Mr. Stephen Bray, President of the AUM Staff Council; Mr. Paul Jacobson, Chair of the Auburn University Foundation Board of Directors; Mr. Jeffery Moore, President of the Auburn Alumni Association; and Ms. Ester Akinrinde, President of the Graduate Student Council.

The Board then met in various committees, each discussing the items which would later appear on the Reconvened Board Meeting Agenda, as follows:

**MINUTES OF A MEETING OF THE
PROPERTY AND FACILITIES COMMITTEE OF THE
AUBURN UNIVERSITY BOARD OF TRUSTEES
FRIDAY, NOVEMBER 15, 2024 AT 8:35 A.M.**

Chairperson DeMaioribus convened a meeting of the Property and Facilities Committee of the Auburn University Board of Trustees on Friday, November 15, 2024 at 8:35 a.m. in the Legacy Ballroom of The Hotel at Auburn University and Dixon Conference Center.

After calling the committee meeting to order, Chairperson DeMaioribus called upon Mr. Carroll for discussion of the following Property and Facilities Committee agenda items:

1. Gulf Coast Engineering Research Station – New Building, Final Approval

Mr. Carroll reported that the Samuel Ginn College of Engineering has proposed constructing a new building, within the city of Orange Beach, Alabama consisting of a laboratory, office, and collaborative spaces. He noted that the project will provide dedicated space for researching coastal environments and communities of the Gulf Coast and will provide opportunities for collaboration with other Marine Environmental Sciences Consortium institutions.

Mr. Carroll indicated that the estimated total project cost is \$14.0 million, to be financed by grant funds from the RESTORE Council in cooperation with the State of Alabama Department of Conservation and Natural Resources.

Mr. Carroll stated that the request before the Board of Trustees is to adopt a resolution providing final approval of the project.

A motion to report the item favorably to the full Board during the reconvened meeting was received from Mr. Roberts. The motion was seconded by Ms. Huntley, and the committee approved the motion by a voice vote.

2. College of Human Sciences Academic and Research Facility, Architect Selection

Mr. Carroll reported the College of Human Sciences has proposed the initiation of the College of Human Sciences Academic and Research Facility to provide facilities for their teaching and faculty research components. He added that the project will enable the college to co-locate their related disciplines from their current buildings on campus and will provide a newly constructed home for their operations.

Mr. Carroll stated that the request before the Board of Trustees is to adopt a resolution approving the selection of Perkins & Will of Atlanta, Georgia as project architect.

A motion to report the item favorably to the full Board during the reconvened meeting was received from Mr. Sahlie. The motion was seconded by Mr. Dumas, and the committee approved the motion by a voice vote.

3. Comer Hall Comprehensive Renovation, Project Initiation and Architect Selection

Mr. Carroll reminded everyone that Comer Hall, an architecturally significant building on campus built in 1910, serves as the home of the administrative offices and associated programs within the College of Agriculture. He noted that in 1994, a project to preserve its historical integrity was approved. He explained that although minor changes have been implemented since that time, no major preservation projects have been taken place.

Mr. Carroll stated that accordingly, university administration proposes a comprehensive renovation of Comer Hall. He shared that the proposed project will consist of interior renovations including an elevator, ADA-compliant restrooms, comprehensive HVAC, electrical and plumbing replacements, a new roof, and complete exterior building envelope restoration.

Mr. Carroll indicated that the project will be financed by a combination of state, gift, and bond funds.

Mr. Carroll stated that the request before the Board of Trustees is to adopt a resolution approving the initiation of the project and the selection of Houser Walker Architecture of Atlanta, Georgia as project architect.

A motion to report the item favorably to the full Board during the reconvened meeting was received from Mr. Sanford. The motion was seconded by Mr. Ainsworth, and the committee approved the motion by a voice vote.

4. Approval of Sale of Auburn University Property at the Lower Coastal Plain Experiment Station in Wilcox County and Turnipseed-Inkberry Property, Bullock County, Alabama

Mr. Carroll reported the Alabama Agriculture Experiment Station (AAES) proposed to restructure and change its field research sites across the state by selling two properties to finance the purchase of new property with greater research potential and improve existing properties. He reminded everyone that at the February 2, 2024 board meeting, AAES presented a plan to restructure and enhance its field research sites across the state. He noted that the Board approved the purchase of 945 acres (Rhyne Property) in Autauga County. He stated that to support the purchase financially, the Board agreed to sell the Lower Coastal Plains Agricultural Research property (Wilcox County) and the Turnipseed-Inkberry property (Bullock County).

Mr. Carroll noted that considering the unique location of the properties, the Board determined that it was economically justified and in the best interest of the university to engage a duly licensed real estate broker to market and identify opportunities to sell both properties. He shared that the university has received offers for both properties, with two MAI appraisals obtained, consistent with the appraised value of both properties.

Mr. Carroll stated that the request before the Board of Trustees is to adopt a resolution authorizing the President to accept the offers to purchase the Wilcox County property and

the Bullock County property consistent with Alabama law, and to negotiate and execute the deed and all legal documents necessary to effectuate the transaction provided that any sale transactions must be reviewed and approved by the Office of General Counsel prior to closing.

A motion to report the item favorably to the full Board during the reconvened meeting was received from Mr. Sanford. The motion was seconded by Mr. Vines, and the committee approved the motion by a voice vote. Mr. Roberts abstained from the vote.

5. Authority to Purchase Land in Auburn, Alabama

Mr. Carroll reported that the request before the Board of Trustees is to adopt a resolution authorizing the President to purchase property in Auburn, Alabama at the corner of Thach Avenue and Gay Street, owned by Auburn University Methodist Church, for \$7,300,000. He noted that the parcels' close proximity to campus will extend the university's footprint on the eastside of South College Street.

A motion to report the item favorably to the full Board during the reconvened meeting was received from Mr. W. Smith. The motion was seconded by Mr. Sanford, and the committee approved the motion by a voice vote.

6. Status Updates – *For Information Only*

Mr. Carroll presented the following items to the Board:

- a. Current Status of New Construction/Renovation/Infrastructure Projects with Budgets of \$1,000,000 and Greater**
- b. Quarterly Report for Projects Costing More than \$500,000 but Less than \$1,000,000 – 4th Quarter, Fiscal Year 2024**
- c. Project Status Report**

Mr. Carroll shared that this item is included for information only and does not require a vote.

Chairperson DeMaioribus thanked Mr. Carroll for his reports, and with there being no further items, recessed the committee meeting at 8:50 a.m.

**MINUTES OF A MEETING OF THE
JOINT PROPERTY & FACILITIES AND FINANCE COMMITTEE OF THE
AUBURN UNIVERSITY BOARD OF TRUSTEES
FRIDAY, NOVEMBER 15, 2024 AT 8:50 A.M.**

Chairperson W. Smith convened a joint meeting of the Property & Facilities and Finance Committee of the Auburn University Board of Trustees on Friday, November 15, 2024 at 8:50 a.m. in the Legacy Ballroom of The Hotel at Auburn University and Dixon Conference Center.

After calling the committee meeting to order, Chairperson W. Smith called upon Mr. Carroll for discussion of the following agenda item:

1. Auburn University Applied Research Laboratory in Huntsville, Alabama – Approval of Lease Agents, Financing and Advance Agreement, and Related Agreements

Mr. Carroll reported that in 2022, Auburn University purchased the LogiCore Facility in Cummings Research Park (CRP) located in Huntsville, Alabama, and opened the Auburn University Research and Innovation Campus (AURIC). He stated that the following year, the university created the Applied Research Institute (ARI), based out of AURIC, to further the strategic goal of doubling its research program. He noted that the Huntsville area provides key opportunities for Auburn University to expand due to the presence of Redstone Arsenal, NASA, numerous Department of Defense agencies, and a multitude of private sector partners with research and development needs. He added that since its creation, ARI has grown its research program in key areas, and with this growth, there is a need for additional research space. He indicated that the university is seeking a solution to meet this immediate need, and the project schedules required by our sponsors, while also creating a phased approach to accommodate future research endeavors.

Mr. Carroll stated that the request before the Board of Trustees is to adopt a resolution authorizing the President to take such action as is necessary and desirable to complete the design, construction, and leasing of a suitable facility in Huntsville, Alabama for the Auburn University Applied Research Laboratory, including approval of the Lease, the Financing and Advance Agreement, and all other documents and instruments in connection therewith. He noted that all documents consummating the Financing and Advance Agreement, the Lease, and the other instruments and agreement shall be reviewed, as to form, by General Counsel for Auburn University.

A motion to report the item favorably to the full Board during the reconvened meeting was received from Mr. Z. Smith. The motion was seconded by Mr. Dumas, and the committee approved the motion by a voice vote.

Chairperson W. Smith thanked Mr. Carroll for his report, and with there being no further items, recessed the committee meeting at 8:55 a.m.

**MINUTES OF A MEETING OF THE
ACADEMIC AFFAIRS COMMITTEE OF THE
AUBURN UNIVERSITY BOARD OF TRUSTEES
FRIDAY, NOVEMBER 15, 2024 AT 8:55 A.M.**

Chairperson Huntley convened a meeting of the Academic Affairs Committee of the Auburn University Board of Trustees on Friday, November 15, 2024 at 8:55 a.m. in the Legacy Ballroom of The Hotel at Auburn University and Dixon Conference Center.

After calling the committee meeting to order, Chairperson Huntley called upon Dr. Nathan for discussion of the Academic Affairs Committee's single information-only item.

1. Agenda Item for the Board of Trustees – *For Information Only*

Dr. Nathan reported the following academic updates:

New Graduate Certificates (2):

- Graduate Certificate in Neuroscience (12 hours), Department of Drug Discovery and Development, Harrison College of Pharmacy
- Veterinary Social Work Graduate Certificate (9 hours), Department of Sociology, Anthropology, and Social Work; College of Liberal Arts and College of Veterinary Medicine

Degree Closure (1):

- Closure of the Graduate Certificate in Movement Skills Analysis, School of Kinesiology, College of Education

Dr. Nathan indicated that this item is presented for information only and does not require a vote.

Chairperson Huntley thanked Dr. Nathan for her report, and with there being no further items, recessed the committee meeting at 9:10 a.m.

**MINUTES OF A MEETING OF THE
EXECUTIVE COMMITTEE OF THE
AUBURN UNIVERSITY BOARD OF TRUSTEES
FRIDAY, NOVEMBER 15, 2024 AT 9:05 A.M.**

Chairperson Dumas convened a meeting of the Executive Committee of the Auburn University Board of Trustees on Friday, November 15, 2024 at 9:05 a.m. in the Legacy Ballroom of The Hotel at Auburn University and Dixon Conference Center.

After calling the committee meeting to order, Chairperson Dumas presented the Executive Committee's single agenda item.

1. Proposed Awards and Namings

Chairperson Dumas then asked for a motion to move consideration of the second agenda item, a list of proposed awards and namings, to the reconvened meeting.

A motion to report the item favorably to the full Board during the reconvened meeting was received from Mr. DeMaioribus. The motion was seconded by Mr. Vines, and the committee approved the motion by a voice vote.

With there being no further items, Chairperson Dumas recessed the committee meeting at 9:10 a.m.

President *Pro Tempore* Riggins then moved to reports from various committee chairpersons and lead trustees as follows:

Institutional Advancement Committee

Chairperson Woltosz began his report by sharing that the endowment portfolio for Auburn University follows a long-term, diversified investment strategy, accepting a prudent level of risk to preserve the endowment's purchasing power and ensure consistent yearly contributions to the university's academic initiatives.

Chairperson Woltosz then reported that the October 31, 2024 AU/AUF combined endowment estimated value is \$1.23 billion. He noted that the foundation and university portfolio values are \$870 million and \$361 million, respectively. He shared that the 2024 calendar year-to-date return through October 31st is 9.9% and that the 5-year annualized return as of October 31st is 9.3%.

Chairperson Woltosz concluded his report by reminding everyone that the Fiscal Year 2024 philanthropic fundraising goal was \$175 million. He announced that as of October 31st, the total fundraising progress is \$224.6 million, which amounts to 128% of the goal. He noted that this equated to the university's best fundraising year, with 29,376 total donors. He shared that the Fiscal Year 2025 goal is \$190 million, the largest goal set in university history. He indicated that with 10% of the year elapsed, \$13,882,087 or 7% of the goal has been raised. He commented that although slightly behind, the Advancement team is confident in meeting the goal.

President *Pro Tempore* Riggins thanked Chairperson Woltosz for his report. He then indicated that the committee meetings and trustee reports were complete.

**MINUTES OF A REGULAR MEETING OF THE
AUBURN UNIVERSITY BOARD OF TRUSTEES
FRIDAY, NOVEMBER 15, 2024 AT 9:10 A.M.**

President *Pro Tempore* Riggins convened a regular meeting of the Board of Trustees on Friday, November 15, 2024 at 9:10 a.m. in the Legacy Ballroom of The Hotel at Auburn University and Dixon Conference Center.

President *Pro Tempore* Riggins asked General Counsel Hammer if there was any pending litigation that needed to be discussed in an executive session. General Counsel Hammer indicated that there was pending litigation that needed to be discussed in an executive session.

President *Pro Tempore* Riggins then asked for a motion for the Board to enter an executive session. A motion was received from Mr. DeMaioribus. The motion was seconded by Mr. Sahlie, and the Board approved the motion by a voice vote.

President *Pro Tempore* Riggins recessed the regular meeting of the Board of Trustees at 9:15 a.m.

**MINUTES OF A RECONVENED MEETING OF THE
AUBURN UNIVERSITY BOARD OF TRUSTEES
FRIDAY, NOVEMBER 15, 2024 AT 10:00 A.M.**

President *Pro Tempore* Riggins reconvened the meeting of the Board of Trustees on Friday, November 15, 2024 at 10:00 a.m. in the Legacy Ballroom of The Hotel at Auburn University and Dixon Conference Center.

President *Pro Tempore* Riggins then asked for a motion to adopt the minutes of the September 6, 2024 meeting. A motion was received from Mr. W. Smith. The motion was seconded by Ms. Huntley, and the resolution was approved by a voice vote.

The following resolution was approved:

RESOLUTION

APPROVAL OF MINUTES

WHEREAS, copies of the minutes of the September 6, 2024 meeting of the Board of Trustees have been distributed to all members of this Board for review; and

WHEREAS, the members have reviewed the minutes and determined that they constitute a true and correct recitation of the business of the respective meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Auburn University that the minutes of the September 6, 2024 meeting of the Board of Trustees are hereby approved as distributed.

Following the approval of the minutes of the September 6, 2024 Board Meeting, President *Pro Tempore* Riggins asked for a motion to approve the resolution regarding the awarding of degrees for the Fall 2024 semester. A motion was received from Mr. Sanford. The motion was seconded by Mr. Vines, and the resolution was approved by a voice vote.

The following resolution was 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 the Fall 2024 semester, 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 and maintained in the records of the University and hereby made an official part of this resolution and of these minutes.

Property and Facilities Committee

Chairperson DeMaioribus indicated that the Property and Facilities Committee met earlier and discussed five action items and one item of information. Chairperson DeMaioribus moved for approval of a consent agenda for the Property and Facilities Committee's five action items. The motion was seconded by Mr. Vines, and the resolutions were approved by a voice vote.

The following resolutions were approved in the consent agenda:

PROPERTY AND FACILITIES COMMITTEE

RESOLUTION

GULF COAST ENGINEERING RESEARCH STATION – NEW BUILDING

FINAL PROJECT APPROVAL

WHEREAS, the Samuel College of Engineering has proposed the construction of a new building, within the City of Orange Beach, Alabama; and

WHEREAS, at its previous meeting on September 16, 2022, the Board of Trustees adopted a resolution that approved the initiation of the Gulf Coast Engineering Research Station – New Building project, and at its meeting on November 11, 2022, the Board of Trustees adopted a resolution that approved ArchitectureWorks of Birmingham, Alabama, as the architect for the project; and

WHEREAS, this new building will provide dedicated space for the research of coastal environments and communities of the Gulf Coast and will provide opportunities for collaboration with other Marine Environmental Sciences Consortium institutions; and

WHEREAS, the project will construct a two-story, 21,000-square-foot building that will provide research laboratories, large meeting spaces, and private offices; and

WHEREAS, the estimated total project cost of the Gulf Coast Engineering Research Station – New Building is \$14.0 million, to be financed by grant funds from the RESTORE Council in cooperation with the State of Alabama Department of Conservation and Natural Resources; and

WHEREAS, pursuant to the Board of Trustees policy “D-3, Capital Projects Approval,” the final approval of the project must be submitted to the Auburn University Board of Trustees through the Property and Facilities Committee.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Auburn University that the Gulf Coast Engineering Research Station – New Building project is approved and that Christopher B. Roberts, President, or such other person as may be acting as President, be and the same is hereby authorized and empowered to perform the following tasks:

1. Establish a budget for the Gulf Coast Engineering Research Station – New Building project in the amount of \$14.0 million, to be financed by grant funds from the RESTORE Council in cooperation with the State of Alabama Department of Conservation and Natural Resources; and
2. Direct the consultants to complete the required plans for the project; and
3. Solicit bids and award a contract for construction conditioned upon the lowest responsible and responsive bid being consistent with the approved project budget.

PROPERTY AND FACILITIES COMMITTEE

RESOLUTION

COLLEGE OF HUMAN SCIENCES ACADEMIC AND RESEARCH FACILITY

APPROVAL OF PROJECT ARCHITECT

WHEREAS, at its meeting of September 6, 2024, the Board of Trustees adopted a resolution that approved the initiation of the College of Human Sciences Academic and Research Facility project and authorized the commencement of the architect selection process; and

WHEREAS, the University Architect issued a Request for Qualifications, and after conducting interviews with five (5) candidate firms, determined the architectural firm Perkins & Will of Atlanta, Georgia, was best qualified to provide design services on this project; and

WHEREAS, pursuant to the Board of Trustees policy "D-3, Capital Projects Approval," the selection of the project architect must be submitted to the Auburn University Board of Trustees through the Property and Facilities Committee for approval.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Auburn University that Christopher B. Roberts, President, or such other person as may be acting as President, be and the same is hereby authorized and empowered to perform the following tasks:

1. Engage Perkins & Will of Atlanta, Georgia, as project architect to consult in the development of the facility program and project design; and
2. Limit the project planning and design development to the schematic design phase until the program requirements, budget, funding plan, and site are approved by the Board.

PROPERTY AND FACILITIES COMMITTEE

RESOLUTION

COMER HALL COMPREHENSIVE RENOVATION

APPROVAL OF PROJECT INITIATION AND
PROJECT ARCHITECT SELECTION

WHEREAS, the University Administration has proposed the comprehensive renovation of Comer Hall, an architecturally iconic Auburn University building originally constructed in 1910; and

WHEREAS, the proposed Comer Hall Comprehensive Renovation project will consist of interior renovations, including an elevator, ADA-compliant restrooms, comprehensive HVAC, electrical and plumbing upgrades, a new roof and complete exterior building envelope restoration; and

WHEREAS, to facilitate an accelerated design process, the University Architect recommends the use of Houser Walker Architecture of Atlanta, Georgia, to design the Comer Hall Comprehensive Renovation project; and

WHEREAS, this project will be financed by a combination of state, gift and bond funds; and

WHEREAS, pursuant to the Board of Trustees policy, "D-3, Capital Projects Approval," the initiation of this project and the architect selection must be submitted to the Board, through the Property and Facilities Committee, for approval.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Auburn University that the initiation of the Comer Hall Comprehensive Renovation project is approved and that Christopher B. Roberts, President, or such other person as may be acting as President, be and the same is hereby authorized and empowered to perform the following tasks:

1. Engage Houser Walker Architecture of Atlanta, Georgia, as project architect to consult in the development of the facility program and project design; and
2. Limit the project planning and design development to the schematic design phase until the program requirements, budget, funding plan, and site are approved by the Board.

PROPERTY AND FACILITIES COMMITTEE

RESOLUTION

APPROVAL OF SALE OF AUBURN UNIVERSITY PROPERTY AT THE LOWER
COASTAL PLAIN EXPERIMENT STATION IN WILCOX COUNTY and
TURNIPSEED-IKENBERRY PROPERTY, BULLOCK COUNTY, ALABAMA

REAL ESTATE DISPOSITION

WHEREAS, the Alabama Agriculture Experiment Station has proposed to restructure and change its field research sites across the state by selling two properties to finance the purchase of new property with greater research potential and improve existing properties; and

WHEREAS, the Auburn University Board of Trustees previously approved the purchase of a 945-acre parcel of land located on Highway 14, Autaugaville, Alabama ("Rhyne Property") for \$5,150,000; and

WHEREAS, to help fund the acquisition of the Rhyne Property, the Alabama Agriculture Experiment Station proposes to sell approximately 2,370 acres of land in Wilcox County, the Lower Coastal Plains Agricultural Research Center ("Wilcox County Property") and the 1028-acre of land in Bullock County, the Turnipseed-Ikenberry Property ("Bullock County Property"); and

WHEREAS, considering the unique location of the Wilcox County and Bullock County Properties and the potential interest in recreational opportunities there, the Board determined it was economically justified and in the best interest of the University to engage a duly licensed real estate broker to market and identify opportunities to sell both properties; and

WHEREAS, the University has received offers for the Wilcox County Property as follows (Exhibit A):

- A. Parcel One – Cobbs Landing, 236-acre parcel. Garstecki Investments LLC offered \$845,588.00. (\$3,583/acre or \$0.08/sf), and
- B. Parcel Two – 480-acre parcel. Chestnut Branch LLC offered \$1,392,000.00 (\$2,900/acre or \$0.07/sf), and
- C. Parcel Three – Headquarters Tract, 1654-acre parcel. Will continue to be marketed. Staff is considering breaking this parcel into smaller more marketable parcels, and

WHEREAS, the University has received offers for the Bullock County Property as follows (Exhibit B):

- A. Parcel One – North Parcel, 441.86-acre parcel. PJM AL Holdings offered \$1,237,202.00 (\$2,800/acre or \$0.06/sf).
- B. Parcel Two – South Parcel; 582.80-acre parcel. Peachburg Plantation LP offered \$1,950,000.00 (\$3,344/acre or \$0.08/sf); and

WHEREAS, Board of Trustees Policy, D-8, "Real Estate Sale and Lease Policy", requires Board approval for the sale of property, and consistent with the policy, two MAI appraisals were obtained; and the offers are consistent with the appraised value of both properties; and

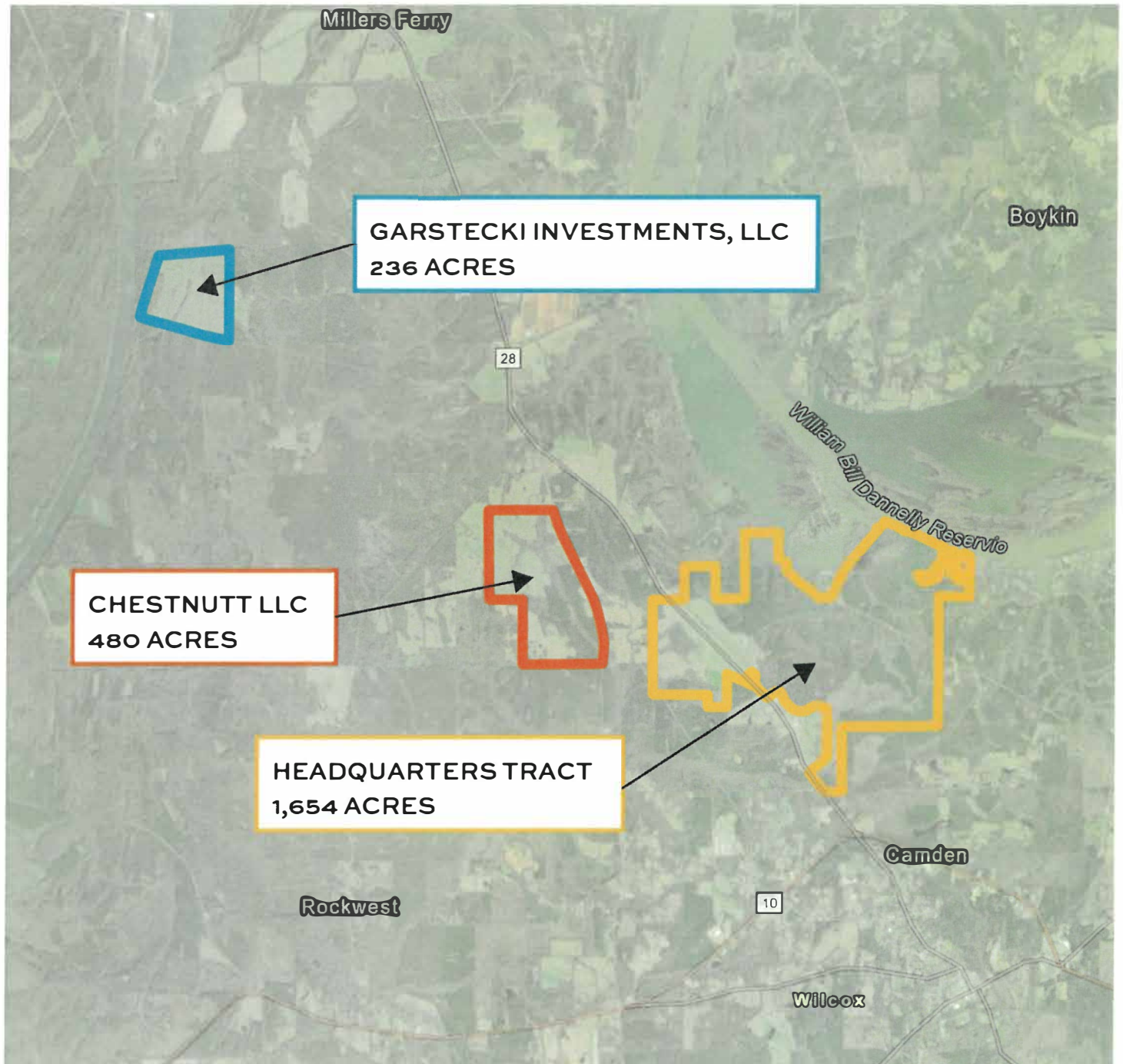
WHEREAS, it has been determined that neither property is currently in use, nor necessary for the mission of Auburn University in the future; and

WHEREAS, any proposed sale transactions resulting from the broker engagement must be presented to the Board of Trustees for its review and approval prior to closing.

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

1. Auburn University accept the offers to purchase the Wilcox County Property and the Bullock County Property; and
2. Christopher B. Roberts, President, or such person as may be acting as President, or his designee, is hereby authorized and empowered to take such action as is necessary to sell Wilcox County Property, parcels one and two, at a total price of two million, two hundred and thirty-seven thousand, five hundred and eighty eight dollars (\$2,237,588.00), consistent with Alabama law, and is empowered to negotiate and execute the deed and all legal documents necessary to effectuate the transaction provided that any proposed sale transactions and documents must be reviewed and approved by the General Counsel prior to closing; and
3. Christopher B. Roberts, President, or such person as may be acting as President, or his designee, is hereby authorized and empowered to take such action as is necessary sell the Bullock County Property, parcels one and two, at a total price of three million, one hundred and eighty seven thousand two hundred and two dollars (\$3,187,202.00), consistent with Alabama law, and is empowered to negotiate and execute the deed and all legal documents necessary to effectuate the transaction provided that any proposed sale transaction and documents must be reviewed and approved by the General Counsel prior to closing.

Exhibit A



Camden - Lower Coastal Plain Substation
Alabama Agricultural Experiment Station
Wilcox County, Alabama

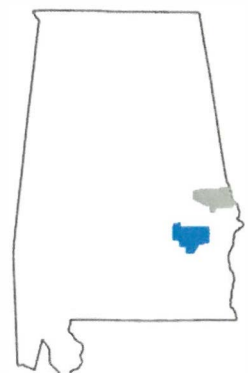
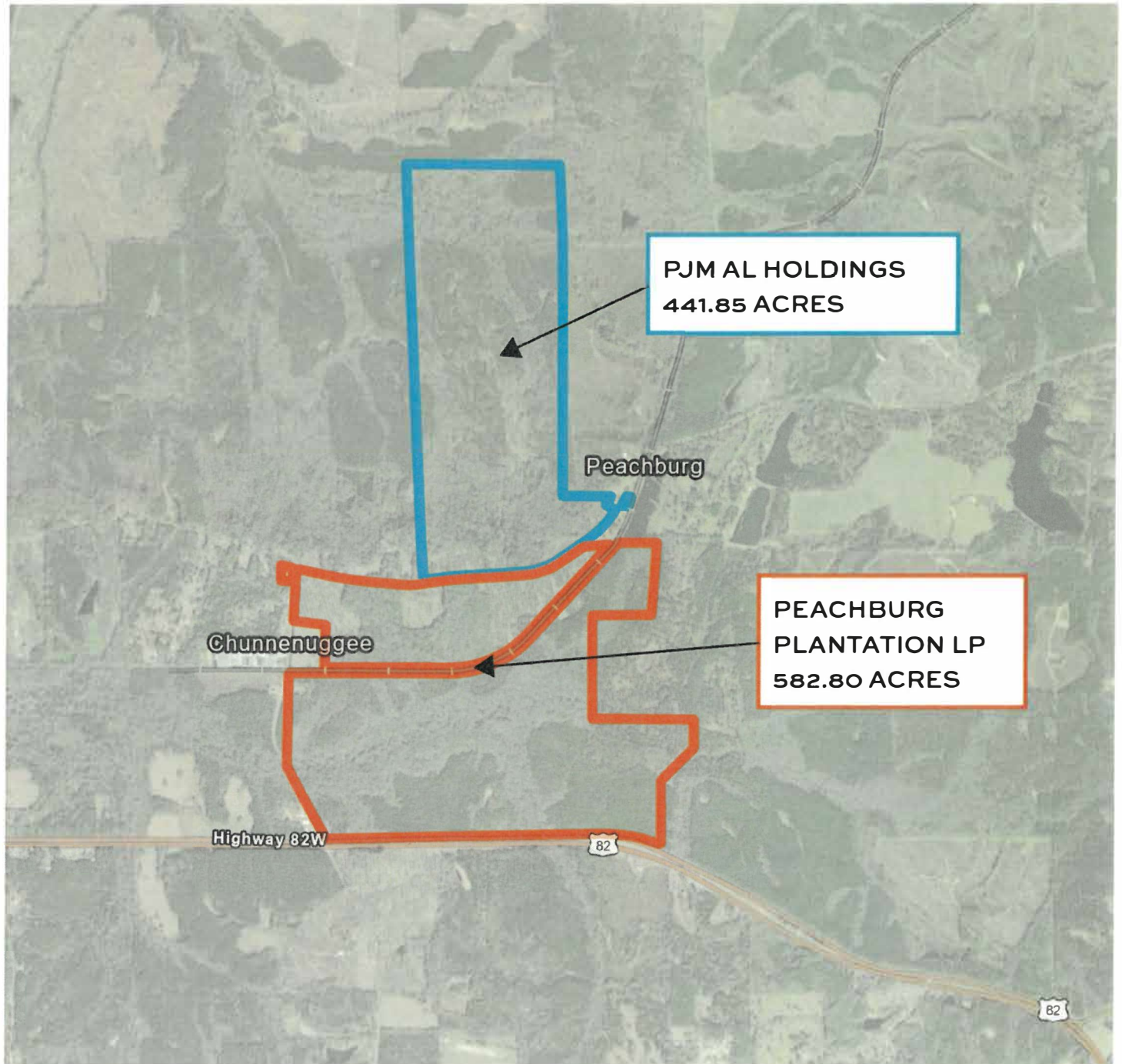
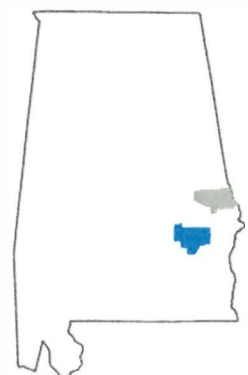


Exhibit B



Union Springs - Turnipseed Ikenberry
Bullock County, Alabama



PROPERTY AND FACILITIES COMMITTEE

RESOLUTION

AUTHORITY TO PURCHASE LAND
IN AUBURN, ALABAMA

WHEREAS, Auburn University is interested in acquiring property in Auburn, Alabama, for the benefit of Auburn University; and

WHEREAS, the property consists of five (5) parcels of land totalling 1.2 acres located at the Northeast corner of S. Gay Street and Thach Avenue, Auburn, Alabama as depicted on Exhibit 1 ("Property"); and

WHEREAS, the acquisition of this Property will extend the University's footprint of property owned by Auburn University's campus on the East side of S. College Street, as this area will become an increasingly important entrance to campus, especially considering the proximity to Cambridge Dorms, Rane Culinary Arts Center, Samford Hall and other University buildings; and

WHEREAS, owning this Property creates a 1.2 acre plot for future development, and will improve the aesthetics at a major entrance point to campus; and

WHEREAS, the Property will be transferred by general warranty deed and the source of funds will be unrestricted general funds; and

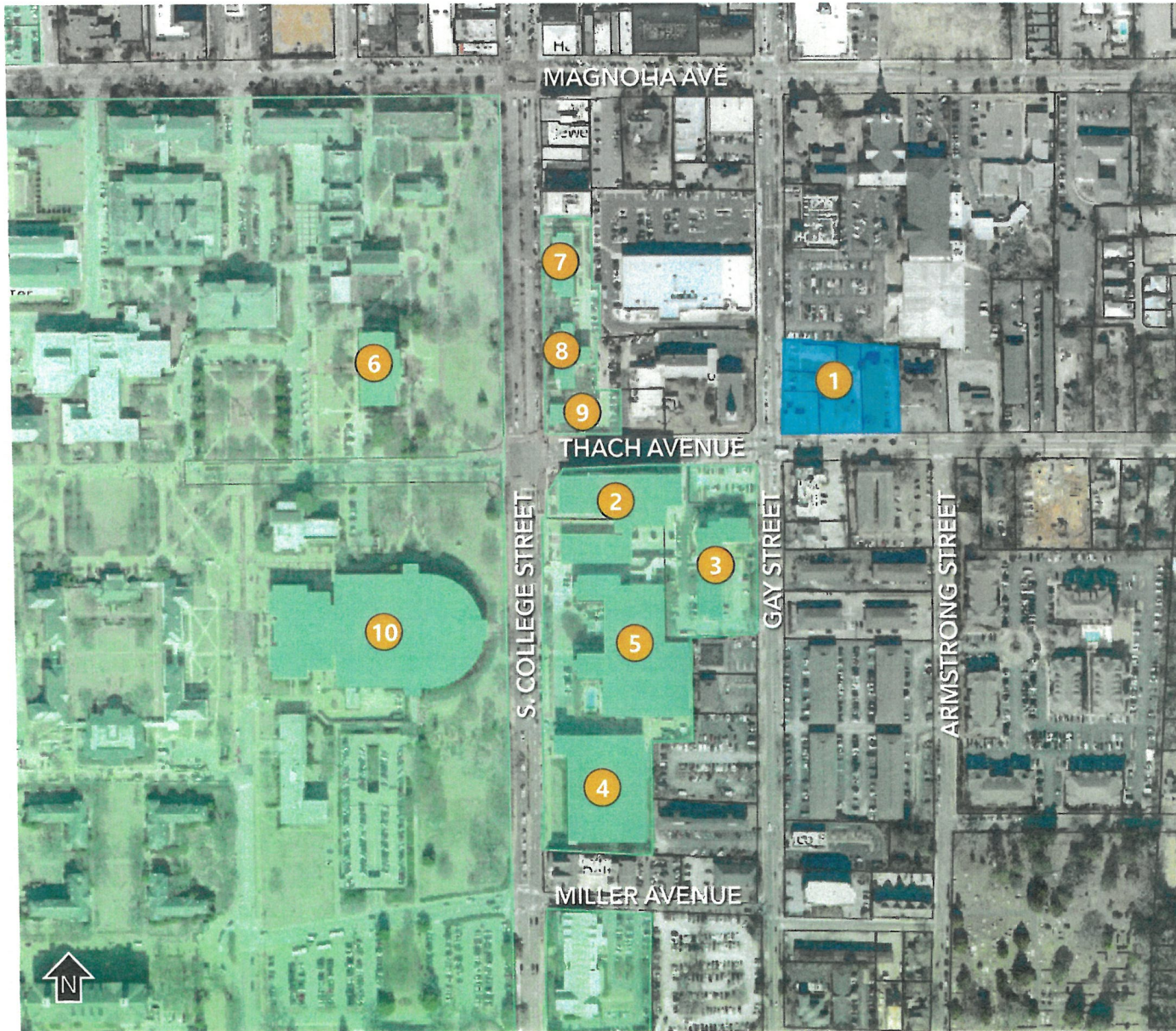
WHEREAS, two MAI appraisals will be procured as required by AU Board of Trustees policy and respective due diligence will be performed on the property; and

WHEREAS, even if the purchase price is more than the MAI appraisals, the Property is both unique and desirable because of the proximity to campus and future development potential; and

WHEREAS, the University has acquired an option to purchase the Property, subject to AU Board of Trustees approval.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of Auburn University that the University purchase the Property for Seven Million Three Hundred Thousand Dollars (\$7,300,000) pursuant to the terms of the Option Agreement; and,

BE IT FURTHER RESOLVED that Christopher B. Roberts, President, or such person as may be acting as President, or his designee, is hereby authorized and empowered to purchase the parcel described above, consistent with Alabama law, provided that any proposed purchase transaction is reviewed and approved by the General Counsel prior to closing.



Thach & Gay Property Exhibit "1"

Item	Location
1	Sale Property
2	Rane Culinary Science Center
3	Cambridge Residence Hall
4	S. College Parking Deck
5	Dixon Hotel & Conference Center
6	Samford Hall
7	Ingram Hall
8	O.D. Smith Hall
9	Chapel
10	Mell Classroom Building and R.B.D. Library

November 4, 2024

CAMPUS PLANNING & SPACE MANAGEMENT
1161 West Samford Ave, Building 1
Auburn University, AL 36849

 **AUBURN UNIVERSITY**
Facilities Management

Joint Property & Facilities and Finance Committee

Chairperson W. Smith indicated that a joint Property & Facilities and Finance Committee met earlier and discussed one action item. Chairperson W. Smith moved for approval the item. The motion was seconded by Ms. Huntley, and the resolution was approved by a voice vote.

The following resolution was approved:

PROPERTY AND FACILITIES COMMITTEE AND FINANCE COMMITTEE

RESOLUTION

AUBURN UNIVERSITY APPLIED RESEARCH LABORATORY
HUNTSVILLE, ALABAMA

APPROVAL OF LEASE AGENTS, FINANCING AND ADVANCE AGREEMENT, AND
RELATED AGREEMENTS

WHEREAS, the University is committed to its statewide mission of providing quality academic programs, research and outreach, and having a presence in the State of Alabama that will further enhance the University's public engagement as a land-grant institution; and

WHEREAS, the University is regularly engaged in various research and development activities within and outside its main campus including, among other locations, in the Auburn University Research and Innovation Campus at Cummings Research Park ("CRP") in the City of Huntsville, Alabama; and

WHEREAS, the University's 2024 Strategic Plan includes doubling its research enterprise, and there is insufficient laboratory space to conduct additional research at its current facilities; and

WHEREAS, it is necessary and desirable to obtain additional research space at CRP for new manufacturing techniques and development of prototypes, testing of space flight hardware, and for other facilities that foster national security research under contracts with the United States government and private sector partners; and

WHEREAS, The Industrial Development Board of the City of Huntsville (the "IDB") owns certain property within CRP (the "Site"), and will cause to be constructed thereon a research facility for lease to the University (together with the Site, the "New Research Facility") using proceeds of a loan in the amount of up to \$18,000,000 (the "Loan") to be made by Regions Commercial Equipment Finance, LLC under the Financing and Advance Agreement herein authorized and attached hereto as Exhibit A; and

WHEREAS, under the Lease Agreement for the New Research Facility herein authorized and attached hereto as Exhibit B, the University will (i) make payments to the IDB in amounts as required by the Loan ("Basic Rent"), which Basic Rent will serve as the sole source of payment and collateral to repay the Loan, and (ii) be responsible for payment and performance of all other obligations respecting the New Research Facility (e.g., maintenance, insurance, operations, etc.);

NOW, THEREFORE, BE IT RESOLVED, by the Board of Trustees of the University (the "Board"), that Christopher B. Roberts, President, or such person as may be acting by or on behalf of the President (including such person or persons identified for such purpose in the Lease Agreement), is hereby authorized to take such action as are necessary or desirable to work with the IDB in the design, construction, and equipping of the New Research Facility; and

BE IT FURTHER RESOLVED, that the Board hereby authorizes the President and the Chief Financial Officer of the University, or either of them, to execute and deliver, for and in the name and behalf of the University, (i) a financing agreement among the University, the Lender, and the IDB, in the form attached hereto and with such changes as shall be determined by the officer executing said agreement (the "Financing and Advance Agreement"), (ii) a lease agreement with the IDB for the New Research Facility in the form attached hereto and with such changes as shall be determined by the officer executing said agreement (the "Lease Agreement"), and (iii) such other agreements, notices, instruments or other documents as may be necessary or desirable respecting the financing, development and operation of the New Research Facility, with all documents herein authorized to be reviewed as to form and substance by the General Counsel for the University prior to their execution; and, further, that the Secretary of the Board and the President Pro Tempore of the Board, or either of them, are authorized to affix the official seal of the University to all agreements and documents herein authorized and to attest the said seal and any and all signatures.

Exhibit A

FINANCING AND ADVANCE AGREEMENT

among

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF HUNTSVILLE,**

AUBURN UNIVERSITY,

and

REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC

Dated _____, 2024

Pertaining to

Up to
\$18,000,000

**THE INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF HUNTSVILLE**

Revenue Bond
(AU Research Facility Project)
Series 2024

FINANCING AND ADVANCE AGREEMENT

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Exhibit A - Description of Project Site
Exhibit B - Description of the Improvements
Exhibit C - Form of Advance Request

FINANCING AND ADVANCE AGREEMENT dated _____, 2024, among **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF HUNTSVILLE**, a public corporation organized under the laws of Alabama (the "IDB"), **AUBURN UNIVERSITY**, a public corporation and instrumentality of the State of Alabama (the "University"), and **REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC**, an Alabama limited liability company (the "Lender").

Recitals

A. The University is regularly engaged in various research and development activities within and outside the main campus of Auburn University including, among other locations, within 40,000 feet of laboratory space in the Auburn University Applied Research Institute at Cummings Research Park ("CRP") in the City of Huntsville, Alabama, wherein the University conducts cutting-edge research and development in the areas of advanced manufacturing, biotechnology, quantum metrology, cyber and critical infrastructure security, and assured position, navigation and timing.

B. The University's 2024 Strategic Plan includes doubling its research initiative, and the University has determined it is necessary and desirable to obtain additional research space at CRP for research and development of new products and processes, to improve existing products and processes, and for facilities for the national defense under contracts with the United States government.

C. The IDB has agreed to acquire fee simple title to a parcel of real property located within CRP more particularly described herein as the Project Site, and has agreed to cause to be constructed thereon an approximately 50,911 square foot research facility for lease to the University (the "Improvements" and, together with the Project Site and the equipment located therein, the "Project"), all as more particularly described and set forth in the hereinafter defined Lease.

D. The Lender has agreed, pursuant to the terms of this Financing Agreement, to make a loan, through a series of advances, in the principal amount of up to \$18,000,000 (the "Loan") in order to (i) retire the obligation of the IDB to purchase the Project Site, (ii) pay the costs of acquiring, constructing and equipping the Project, (iii) pay the costs of issuing the Bond, and (iv) pay for accrued but unpaid interest on advances honored by the Lender during the Construction Period.

E. The Project will be owned by the IDB and leased to the University pursuant to that certain Lease Agreement between the IDB and the University dated the date of the Bond (the "Lease"). Under the Lease, the University will agree, among other things, to pay basic rent to the IDB in such amounts as shall be sufficient to pay, as and when due (whether at maturity, upon acceleration or otherwise), the principal of and interest on the Bond. The Bond and all other payment obligations under this Financing Agreement will be limited obligations of the IDB, payable solely out of such basic rent.

NOW, THEREFORE, for the aforesaid purpose and in consideration of the respective agreements herein contained, it is hereby agreed between the parties signatory hereto, each with

each of the others, as follows (provided, that in the performance of any of the agreements of the IDB herein contained, any obligation it may thereby incur for the payment of money shall not be a general debt on its part but shall be payable solely out of the Pledged Property hereinafter referred to):

ARTICLE I

DEFINITIONS AND USE OF PHRASES

Section 1.1 Definitions. The following words and phrases and others evidently intended as the equivalent thereof shall, in the absence of clear implication herein otherwise, be given the following respective interpretations herein:

"30/360 Basis" shall mean a method of computing interest or other charges hereunder on the basis of an assumed year of 360 days (comprised of 12 months of 30 days each) on a daily accrual basis, meaning that interest or other charges accrued for each month will be computed by multiplying the rate applicable on the 1st day of each month by the unpaid principal balance (or other relevant sum) on that day and dividing the result by 30.

"Act of Bankruptcy" means the filing of a petition in bankruptcy (or other commencement of a bankruptcy or similar proceeding) by or against the designated entity under any applicable bankruptcy, insolvency, reorganization or similar law now or hereafter in effect.

"Additional Rent" means any payment under the Lease that is not Basic Rent.

"Adjusted Margin" is defined in Section 3.1(e)(i) hereof.

"Advance" shall have the meaning set forth in Section 4.1 hereof.

"Amortization Period" means the period commencing on [December 1], 2025, and continuing thereafter through and including [December 1, 2035].

"Amortization Period Monthly Payment" means the monthly payment derived from a level amortization of the sum of all Advances, as of the first day of the Amortization Period, over 240 months at the Fixed Rate, payable in arrears. By way of example only, if the sum of all Advances as of the first day of the Amortization Period was equal to \$18,000,000, and the Fixed Rate were calculated to equal __%, then the Amortization Period Monthly Payment would be \$____; and the amount due as outstanding principal at the end of the 10th year of the Amortization Period would be \$_____.

"Applicable Rate" means, (i) at all times prior to the start of the Amortization Period, the Variable Rate, and (ii) at all times during the Amortization Period, the Fixed Rate.

"Authorized IDB Representative" means the person or persons at the time designated as such by written certificate furnished by the IDB and the Lender, containing the specimen signature or signatures of such person or persons and signed on behalf of the IDB by the Chairman of its Board or Directors or Secretary.

"Basic Rent" means (i) the moneys payable by the University pursuant to the provisions of Section 3.03 of the Lease, (ii) any other moneys payable by the University pursuant to the Lease to provide for the payment of the principal of and the interest on the Bond, and (iii) any other moneys payable by the University pursuant to the Lease that are therein referred to as Basic Rent.

"Bond Register" means the registry and transfer books maintained by the IDB pursuant to the provisions of Section 5.2 hereof.

"Bond" means the bond authorized to be issued in Article III hereof.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banking institutions are closed in the City of Birmingham, Alabama, or in the city in which the principal office of the Lender is located.

"Construction Fund" means the Construction Fund created in Section 6.1 hereof.

"Construction Period" means the period beginning on the date of initial issuance of the Bond and continuing through and including the fifth Business Day immediately preceding the start of the Amortization Period (i.e., [November 24, 2025]).

"Dated Date" means the date of initial issuance and delivery of the Bond.

"Debt Service" means the principal of and interest payable on the Bond (whether at maturity, upon acceleration or otherwise).

"Default" or **"default"** means an event or condition the occurrence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Directors" means the Board of Directors of the IDB.

"Event of Default" means any of the events described in Section 8.1 hereof.

"Federal Securities" means any securities that are direct obligations of the United States of America and any securities with respect to which payment of the principal thereof and the interest thereon is unconditionally guaranteed by the United States of America.

"Financing Agreement" means this agreement and every supplemental agreement with the Lender in pursuance hereof.

"Financing Documents" means this Financing Agreement, the Lease and the Negative Pledge, each as, from time to time, may be modified, amended, restated or supplemented.

"Fixed Rate" means the fixed rate of interest resulting from the sum of (a) the most recent closing yield of the 10-year United States Treasury Note as of the last day of the Construction Period as displayed on the website of the United States Department of the Treasury on such date, plus (b) 1.52% (152 basis points), as shall be evidenced in writing between the Lender, the IDB

and the University, together with such documentation from the Lender as shall enable the IDB and the University to confirm said 10-year United States Treasury yield.

"IDB" means The Industrial Development Board of the City of Huntsville, a public corporation under the laws of Alabama, and, subject to the provisions of Section 7.3 hereof, includes its successors and assigns and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Improvements" means the approximately 50,911 square foot research facility and those items of equipment and other personal property which are more particularly described on Exhibit B attached hereto and made a part hereof, the costs of the acquisition, construction and installation of which are paid for with Advances and that are required by the provisions of Section 2.02 of the Lease to be constructed on the Project Site by the IDB.

"Interest Period" means, with respect to the determination of the Variable Rate, each period commencing on the last day of the immediately preceding Interest Period and ending on the same day of the month that interest is due one month thereafter; provided (i) the first Interest Period shall commence on the Dated Date and shall end on the first day thereafter that interest is due, and (ii) any Interest Period that ends in a month for which there is no day which numerically corresponds to the last day of the immediately preceding Interest Period shall end on the last day of the month.

"Lease" means that certain Lease Agreement dated the Dated Date between the IDB, as lessor, and the University, as lessee, as said Lease Agreement now exists or as it may be amended and supplemented.

"Lender" shall mean the person in whose name the Bond is registered in the Bond Register. Initially, the Bond shall be registered in the name of Regions Commercial Equipment Finance, LLC, an Alabama limited liability company.

"Margin" means 0.81 percent (81 basis points).

"Margin Adjustment" is defined in Section 3.1(e)(i) hereof.

"Municipality" means the City of Huntsville, Alabama, and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Negative Pledge" means that certain Negative Pledge and Assignment of Rents and Leases from the IDB to the Lender dated the Dated Date.

"Parties" means, collectively, the IDB, the University and the Lender; and **"Party"** means any of the IDB, the University or the Lender.

"Permitted Encumbrances" means, as of any particular time, (i) the Lease, the Financing Agreement and the Negative Pledge, (ii) inchoate mechanics' and materialmen's liens, and (iii) any encumbrances on the Project Site of public record as of the dated date of this Financing Agreement.

"Pledged Property" shall have the meaning set forth in Section 2.1 hereof.

"Project Development Costs" means the costs of acquiring, constructing, equipping and installing the Improvements, the costs required to retire the obligation of the IDB to purchase the Project Site, the expenses incurred by the IDB and the University in connection with the issuance and sale of the Bond, and all costs and expenses incurred by the IDB or the University in connection with and directly related to the planning, development and design of the Improvements.

"Project Site" means the real property specifically described in Exhibit A attached hereto and made a part hereof and any other real property that under the terms of the Lease constitutes a part of the Project Site; provided, that the Project Site shall in no event constitute Pledged Property.

"Pre-Amortization Period Interest" means interest on Advances honored by the Lender during the Construction Period.

"Pre-Amortization Period Interest Amount" means the amount of Pre-Amortization Period Interest calculated by the Lender to have accrued through the calendar day immediately preceding the start of the Amortization Period.

"Registrar" means the Secretary of the IDB or [his] designee, serving as registrar with respect to the Bond.

"Replacement Index" is defined in Section 3.1(e)(i) hereof.

"Same Day Funds" means immediately available funds for payment in currency of the United States of America at the time and place specified.

"SIFMA Business Day" means any day that is not (i) a Saturday, (ii) a Sunday, or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"SOFR" means a rate per annum equal to the secured overnight financing rate administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"Supplemental Financing Agreement" means an agreement supplemental hereto.

"Term SOFR" means with respect to any Interest Period for determining the Variable Rate, the forward-looking term rate based on SOFR for a period comparable to the term of such Interest Period as published by the Term SOFR Administrator (or as published by such other comparable financial information reporting service used by the Lender, in its sole discretion, at the time such rate is determined) on the day that is two (2) SIFMA Business Days prior to the first day of such Interest Period (or if not so reported, then as determined by the Lender from another recognized source, in the Lender's sole discretion), subject to any corrections published by the Term SOFR Administrator. In any event, Term SOFR will not be less than three percent (3.0%) per annum.

"Term SOFR Administrator" means the CME Group Benchmark Administration Limited (CBA) (or a successor administrator of Term SOFR selected by the Lender in its sole discretion).

"University" means Auburn University, a public corporation and instrumentality of the State of Alabama, and, subject to the provisions of Section 7.3 hereof, includes its successors and assigns and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party.

"Variable Rate" means a variable per annum rate of interest equal to Term SOFR (or, if applicable, the Replacement Index and Margin, subject to adjustment for the Adjusted Margin), plus the Margin, as adjusted from time to time.

Section 1.2 Use of Phrases. "Herein," "hereby," "hereunder," "hereof," "hereinbefore," "hereinafter" and other equivalent words refer to the Financing Agreement as an entirety and not solely to the particular portion thereof in which any such word is used. The definitions set forth in Section 1.1 hereof include both singular and plural, unless a separate definition is included for the singular or plural, as the case may be. Whenever used herein, any pronoun shall be deemed to include both singular and plural and to cover all genders.

ARTICLE II

SECURITY FOR PAYMENT

Section 2.1 Pledge and Assignment. In order to secure payment of Debt Service to the Lender and the performance and observance of the covenants and conditions herein and in the Bond contained, and in consideration of purchase and acceptance of the Bond by the Lender, the IDB does hereby grant, bargain, sell, convey, assign, transfer and pledge to and with the Lender the following described properties of the IDB, whether the same are now owned by it or may be hereafter acquired:

I

All Basic Rent derived by the IDB pursuant to the Lease;

II

All right, title and interest of the IDB in and to the Lease except (i) the right to receipt of Additional Rent, and (ii) the right to require the University to pay Additional Rent, but not including, however, any of the obligations of the IDB thereunder; and

III

Any and all moneys, rights and properties of every kind or description which may from time to time hereafter be delivered to or deposited with the Lender by the IDB or anyone on its part as additional security for the payment of the Bond.

TO HAVE AND TO HOLD the same unto the Lender, its successors and assigns forever, subject to Permitted Encumbrances (all such property, the "Pledged Property").

PROVIDED, HOWEVER, that these presents are upon the condition that if the IDB shall pay or cause to be paid the principal of and the interest on the Bond secured hereby, and shall pay or cause to be paid all other sums payable by the IDB hereunder, then the Financing Agreement and the estate and rights granted hereby shall cease, determine and be void; otherwise the Financing Agreement shall be and remain in full force and effect.

ARTICLE III

THE BOND

Section 3.1 General Provisions Respecting the Bond. (a) **Authorization, Principal Amount and Maturity.** There is hereby authorized to be issued by the IDB one Revenue Bond (AU Research Facility Project), Series 2024, which shall be dated the date of its initial issuance and delivery, in the principal amount not to exceed \$18,000,000. The principal of the Bond (as represented by all Advances honored by the Lender) shall bear interest at the Applicable Rate. Interest will be computed on an 30/360 Basis. Although payments on the Bond shall be amortized over a period of 240 months, all principal amortized after the first 120 months of the Amortization Period shall be due and payable on [December 1, 2035].

(b) **Payment of Debt Service During Construction Period.** Interest on each Advance during the Construction Period shall accrue from the date each Advance is made by the Lender, and all such interest shall be due and payable on the Business Day immediately preceding the start of the Amortization Period.

(c) **Payment of Debt Service During Amortization Period.** On [December 1], 2025, and on the first day of each month thereafter, the IDB shall make a combined principal and interest payment equal to the Amortization Period Monthly Payment for such payment date; provided, that all principal amortized from and after [December 1], 2035 shall be due and payable on [December 1], 2035.

(d) **Interest on Overdue Principal and Interest; Late Charge.** Interest shall be payable on overdue principal on the Bond and (to the extent legally enforceable) on any overdue installment of interest on the Bond calculated at the rate borne by the Bond as specified herein plus three hundred (300) basis points (i.e., 3.0%).

(e) **Replacement Variable Index Rate.** (i) If the Lender at any time or from time to time determines that (i) Term SOFR is unavailable, (ii) Term SOFR cannot be determined, (iii) Term SOFR does not adequately reflect the cost to the Lender of making, funding or maintaining the Loan, (iv) the use of Term SOFR has become impracticable or unreliable, (v) Term SOFR is

no longer representative of the underlying market or economic reality, or (vi) it is no longer lawful for the Lender to lend at any rate based on Term SOFR, then the Lender may elect to designate a substitute interest rate index (the “Replacement Index”). If the Lender designates a Replacement Index, the Lender may also determine at such time or from time to time thereafter that a margin adjustment (the “Margin Adjustment”) is necessary to produce a comparable interest rate to the interest rate that would have applied based on Term SOFR. Upon such determination, the Lender will designate the amount of such Margin Adjustment (which may be a positive or a negative number) and adjust the Margin by that amount (and the result will be the “Adjusted Margin”). The Lender will provide notice to the IDB and the University of the Replacement Index, any Margin Adjustment and the Adjusted Margin, as applicable, and their effective date.

(ii) Commencing with the first interest rate change thereafter, the Replacement Index shall be deemed to be and shall become the operative interest rate index for purposes of this Financing Agreement, the Bond and any other Financing Documents, and the Bond and any amounts owed under this Financing Agreement and any of the other Financing Documents shall continue to bear interest on the unpaid principal amount through repayment thereof at the Replacement Index plus the Margin or the Adjusted Margin, as applicable (subject to any interest rate floor set out in this Financing Agreement, the Bond or the other Financing Documents). In any event, the Replacement Index will not be less than the greater of 3 percent (3.0%) per annum or any minimum index floor otherwise provided in this Financing Agreement, the Bond or the other Financing Documents. The Replacement Index may not necessarily be the Lender’s most favorable lending rate or interest rate index. Any determination or designation made by the Lender under this section shall be made the Lender’s sole and absolute discretion and shall be conclusive and binding absent manifest error. In connection with the implementation of a Replacement Index and, as applicable, the Adjusted Margin, the Lender will have the right from time to time, without any further action or consent of the IDB or the University or any other party, to implement any technical, administrative or operational changes that the Lender decides may be appropriate to reflect the adoption and implementation of such Replacement Index and, as applicable, the Adjusted Margin and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender determines that adoption of any portion of such market practice is not administratively feasible or if the Lender determines that no market practice for the administration of such Replacement Index and, as applicable, the Adjusted Margin exists, in such other manner of administration as the Lender decides is reasonably necessary in connection with the administration of the Loan). Such technical, administrative, or operational changes may include, without limitation, changes to the determination of a business day or an interest period, the timing and frequency of determining rates and making and applying payments, implementation and length of any lookback period, and other technical, administrative, or operational matters.

(iii) In connection with the use or administration of Term SOFR or any Replacement Index, the Lender will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Financing Document, any amendments implementing such Conforming Changes will become effective without further action or consent of any Party to this Financing Agreement or any other Financing Document. “Conforming Changes” means, with respect to Term SOFR or any Replacement Index, any technical, administrative or operational changes to terms, matters or any conventions associated with Term SOFR or any Replacement Index, as applicable (including, any changes to the definition of Term SOFR, Replacement Index, Interest Period, timing and frequency of determining rates

and making payments of interest, the definition of any business day, timing of borrowing requests or prepayment notices, conversion or continuation notices and the applicability and length of lookback periods or observation shifts, the applicability of breakage provisions, and any other technical, administrative or operational matters) as may be appropriate, in the discretion of the Lender, to reflect the adoption and implementation of such applicable rate, and to permit the administration thereof by the Lender in a manner substantially consistent with market practice (or, if the Lender determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such rate exists, in such other manner of administration as the Lender determines is reasonably necessary in connection with the administration of this Financing Agreement and any other Financing Document).

Section 3.2 Payments Due on Non-Business Days. If any payment on the Bond is due on a day which is not a Business Day, such payment may be made on the first succeeding day which is a Business Day with the same effect as if made on the day such payment was due.

Section 3.3 Form of Bond. The Bond and the registration certificate, schedule of advances, amortization schedule and the form of assignment applicable thereto shall be in substantially the following form, with appropriate changes therein to conform with the provisions hereof:

(Form of Bond)

THIS BOND MAY BE TRANSFERRED ONLY TO (1) AN “ACCREDITED INVESTOR” AS DEFINED IN THE SECURITIES ACT OF 1933 AND THE RULES AND REGULATIONS PROMULGATED THEREUNDER (THE “SECURITIES ACT”) OR (2) A “QUALIFIED INSTITUTIONAL BUYER” AS THAT TERM IS DEFINED IN RULE 144A UNDER THE SECURITIES ACT AND ONLY UPON COMPLIANCE WITH APPLICABLE STATE AND FEDERAL SECURITIES LAWS AND WITH THE FINANCING AGREEMENT REFERRED TO HEREIN.

UNITED STATES OF AMERICA

STATE OF ALABAMA

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF HUNTSVILLE**

**REVENUE BOND
(AU RESEARCH FACILITY PROJECT)
SERIES 2024**

For value received, **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF HUNTSVILLE** (the “IDB”), will pay, solely from the sources hereinafter referred to, to **REGIONS COMMERCIAL EQUIPMENT FINANCE LLC**, an Alabama limited liability company, Birmingham, Alabama (the “Lender”), or registered assigns, the principal sum of

EIGHTEEN MILLION DOLLARS

or so much as may be advanced and outstanding hereunder, with interest (computed on a 30/360 Basis as defined in the Financing Agreement) thereon from the date hereof until the maturity hereof at the Applicable Rate (as defined in the Financing Agreement referred to below), subject to adjustment as provided in Section 3.1(e) of the said Financing Agreement.

Pursuant to the terms of that certain Financing and Advance Agreement dated the date of this Bond among the IDB, the University (hereinafter defined) and the Lender under which this Bond is issued (the “Financing Agreement”), from the date hereof through and including [November 24], 2025 (such period, the “Construction Period”), the IDB shall have the right at any time and from time to time to request Advances (as defined in the Financing Agreement) of funds from the Lender in an aggregate amount not exceeding \$18,000,000. At the time any Advance is honored by the Lender, the Lender shall note on the schedule entitled “Schedule of Advances” attached hereto the amount of such Advance and the date honored and shall send a copy of the same to the University; provided, however, that failure of the Lender to record any Advance on the Schedule of Advances or provide the same to the University as herein defined shall not in any way compromise, reduce or eliminate in any way the IDB’s obligations under the Financing Agreement with respect to the full outstanding principal amount of the Bond, based upon the actual

amount of Advances delivered by the Lender with respect thereto. Amounts advanced hereunder and repaid may not be advanced again.

At all times prior to commencement of the Amortization Period, interest on each Advance shall accrue from the date each Advance is honored by the Lender until such interest is paid, and shall be due and payable on the Business Day (as defined in the Financing Agreement) next preceding the commencement of the Amortization Period (as defined in the Financing Agreement).

During the Amortization Period, the sum of all Advances made hereunder shall be payable, together with interest, on a monthly basis and, as to each month, in an amount derived from a level amortization of the sum of all Advances, as of the first day of the Amortization Period, over 240 months at the Fixed Rate, payable in arrears; provided, all unpaid principal on the Bond amortized after the first 120 months of the Amortization Period shall be due and payable on [December 1], 2035.

The IDB is a public corporation organized under the provisions of Article 4 of Chapter 54 of Title 11 of the Code of Alabama 1975, as amended, and the Bond is authorized to be issued for purposes for which bonds are authorized to be issued under the provisions of said article. The covenants and representations herein contained or contained in the Financing Agreement do not and shall never constitute a personal or pecuniary liability or charge against the general credit of the IDB, nor shall the City of Huntsville, Alabama, in any manner be liable for payment of the principal of or the interest or on the Bond or for the performance of the undertakings of the IDB contained herein or in the Financing Agreement.

The IDB reserves the privilege of prepaying or causing to be prepaid all or any part of this Bond, which such right may be exercised by the University at its discretion, at any time on [_____, 2030,] or thereafter, without premium or penalty and without any prior notice, provided that, at the time of such prepayment, the IDB pays the interest which shall have accrued, to the date of such prepayment, on the principal to be so prepaid, and provided further that prepayments shall be in integral multiples of \$1,000 and prepayments shall be applied to the then last maturing installments of principal in the inverse order of maturity.

Installments of principal of and interest on this Bond shall be remitted by the IDB to the then registered holder hereof at the address shown on the registry books of the IDB pertaining to the Bond. All payments by the IDB to the person in whose name this Bond is registered shall to the extent thereof fully discharge and satisfy all liability for the same. Any transferee of this Bond takes it subject to all payments of principal and interest in fact made with respect hereto. Installments of principal and interest shall bear interest after their respective maturities until paid at the rate of interest borne by the Bond. If the date for payment of any installment of principal of or interest on this Bond is not a day on which the Lender is open for business (a "Business Day"), then the date for such payment shall be the next succeeding Business Day, with the effect that payment on such Business Day shall have the same force and effect as if made on the original date payment was due.

The principal of and interest on this Bond is payable solely out of the Basic Rent (as defined in the Financing Agreement) derived from the leasing of certain educational facilities,

equipment, and personal property (the "Improvements") located on real property situated in Huntsville, Madison County, Alabama. In connection with the issuance of the Bond, the IDB has leased the Improvements to Auburn University, a public corporation and instrumentality of the State of Alabama (herein, together with its successors and assigns, the "University"), under a Lease Agreement dated [____], 2024 (the "Lease"), which obligates the University to pay Basic Rent (as defined in the Lease) on such dates and in such amounts as shall be sufficient to pay, as and when due (whether at maturity, upon acceleration or otherwise), the principal of and interest on this Bond.

Reference is hereby made to the Financing Agreement for a description of the Improvements, the nature and extent of the security afforded thereby, the rights and duties of the IDB and the Lender with respect thereto. The Financing Agreement provides, among other things, that in the event of default by the IDB in the manner and for the time therein provided, the Lender may declare the principal of this Bond immediately due and payable, whereupon the same shall thereupon become immediately due and payable and the Lender shall be entitled to pursue the remedies provided in the Financing Agreement. By acceptance of this Bond, the Lender consents to the provisions of the Financing Agreement.

This Bond is transferable by the registered holder hereof, in person or by authorized attorney, only on the books of the IDB and only upon surrender of this Bond to the IDB for cancellation, and upon any such transfer a new Bond of like tenor hereof will be issued to the transferee in exchange therefor, all as more particularly described in the Financing Agreement. Each holder, by receiving or accepting this Bond, shall consent and agree and shall be estopped to deny that, insofar as the IDB is concerned, this Bond may be transferred only in accordance with the provisions of the Financing Agreement.

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

Execution by the IDB of the registration certificate hereon is essential to the validity hereof and is conclusive of the due issue hereof under the Financing Agreement.

IN WITNESS WHEREOF, the IDB has caused this Bond to be executed in its name and behalf with the signature of the Chairman of its Board of Directors, has caused its corporate seal to be hereunto impressed, has caused this Bond to be attested by its Secretary, and has caused this Bond to be dated the date of its initial issuance and delivery.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF HUNTSVILLE**

By _____
Chairman of the Board of Directors

[S E A L]

Attest:

Secretary

(Form of Registration Certificate)

Date of Registration: Date of initial issuance and delivery

This Bond was registered in the name of the above-registered owner on the date set forth above.

By

Secretary of the IDB

(Form of Assignment)

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

Dated this ____ day of _____, ____.

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

Signature guaranteed:

(Lender, Trust Company or Firm)*

By _____
(Authorized Officer)

Its Medallion Number: _____

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

(Schedule of Advances)

[illegible]

Section 3.4 Privilege of Prepayment. The IDB reserves and shall have the privilege of prepaying the outstanding principal of the Bond, which such right may be exercised by the University on behalf of the IDB at the sole discretion of the University, in whole or in part on [_____, 2030,] or any date thereafter, without penalty or premium and without any prior notice, at a price equal to the principal of the Bond to be prepaid and accrued interest to the date of prepayment; provided, that prepayments shall be in integral multiples of \$1,000 and shall be applied first to accrued but unpaid interest and then to outstanding installments of principal in the inverse order of maturity.

ARTICLE IV

PROVISIONS RESPECTING ADVANCES

Section 4.1 Advances Under the Bond. (a) During the Construction Period, the IDB shall have the right to request and receive payments directly from the Lender (each such payment, an "Advance") up to an aggregate of \$18,000,000 for all Advances. The IDB may request only one Advance per month, and each Advance shall be in integral multiples of \$5,000, in amounts of not less than \$150,000 (less and except the first Advance and the final Advance), and (other than the Advance for the Pre-Amortization Period Interest Amount) shall be deposited into the Construction Fund. On the date of issuance of the Bond, the Lender shall honor an initial Advance of \$[_____]. Amounts advanced hereunder and repaid may not be advanced again. At the time any Advance is honored, the Lender shall note on the schedule entitled "Schedule of Advances" attached to the Bond the amount of such Advance and the date honored and shall send a copy of the same to the University; provided, however, that failure of the Lender to record any Advance on the Schedule of Advances or notify the University of the same as herein provided shall not in any way compromise, reduce or eliminate in any way the IDB's obligations hereunder with respect to the full outstanding principal amount of the Bond, based upon the actual amount of Advances delivered by the Lender with respect thereto. The Lender acknowledges that no retainage shall be required in connection with any Advance. Anything in the foregoing to the contrary notwithstanding, whether express or implied, the Lender shall have no obligation to honor an Advance request for Project Development Costs if the Lender determines in good faith that the sum of such Advance, when added to the sum of all prior Advances honored by the Lender plus to the sum of the Lender's estimate of the Pre-Amortization Period Interest Amount, will equal or exceed \$18,000,000.

(b) The Lender agrees to make Advances in Same Day Funds to the IDB up to the maximum principal amount of the Bond authorized to be issued hereunder. The amount of each such Advance shall be used exclusively by the IDB for the payment of Project Development Costs and for payment of the Pre-Amortization Period Interest Amount. Advances by the Lender are to be made by the deposit of the amount of such Advance into the Construction Fund set forth in Section 6.1 hereof not later than 12:00 Noon, Birmingham, Alabama time on the Business Day immediately following the Business Day on which the request for an Advance is received by the Lender. Each Advance made pursuant to this Financing Agreement shall constitute a loan to the IDB, the repayment obligation for which shall be evidenced by the Bond. The IDB understands and agrees that the Lender is not obligated to honor any Advance subsequent to the expiration of the Construction Period.

Section 4.2 Procedure for Requesting Advances; Confirmation Thereof. Pursuant to Section 2.02 of the Lease, the IDB shall submit requests for Advances to the Lender through submission of a written request submitted by the IDB to the Lender in the form of Exhibit C hereto (an "Advance Request"). Promptly following each Advance, the Lender will forward notice of such Advance to the IDB and the University by scanned (i.e. PDF format) transmission sent via electronic mail.

Section 4.3 Statement Respecting Total of All Advances. As of the final day of the Construction Period, the Lender shall deliver to the Authorized IDB Representative and the Authorized University Representative a statement reflecting the total of (i) all Advances honored during the Construction Period for Project Development Costs and (ii) the calculation and total of the Pre-Amortization Period Interest Amount, which such statement the IDB and the University shall review for accuracy. Unless otherwise paid by the University, the IDB and the University shall be deemed to have requested, and the Lender shall be deemed to have honored, an Advance in the amount of the Pre-Amortization Period Interest Amount so calculated and reported by the Lender.

ARTICLE V

GENERAL PROVISIONS RESPECTING THE BOND

Section 5.1 Execution and Registration of Bond. The Bond shall be executed on behalf of the IDB by the signature of the Chairman of the Directors. The official seal of the IDB shall be affixed to the Bond and the execution and the said seal shall be attested with the signature of the Secretary of the IDB (it being understood that a condition to the validity of the Bond is the appearance on such Bond of a Registration Certificate, substantially in the form set forth hereinabove, executed by the manual signature of the Registrar).

Section 5.2 Registration, Transfer and Payment of the Bond. (a) The Bond shall be fully registered as to both principal and interest, and shall be transferable only on the registry books of the Registrar. The Secretary of the IDB is hereby designated as the Registrar and shall keep at the offices of the IDB proper registry and transfer books in which shall be noted each registration and transfer of the Bond, when presented for those purposes, all in the manner and to the extent hereinafter specified.

No transfer of the Bond shall be valid hereunder except upon presentation and surrender thereof at the office of the Registrar with written power to transfer signed by the registered holder thereof in person or by duly authorized attorney, properly stamped if required, in form and with guaranty of signature satisfactory to the Registrar, whereupon the IDB shall execute, and the Registrar shall register and deliver to the transferee, a new Bond (in the then outstanding principal amount of such Bond), registered in the name of such transferee and of like tenor (except for the amount of the then outstanding principal and any corresponding change in date) as that presented for transfer. The person in whose name the Bond is registered on the books of the Registrar shall be the sole person to whom or on whose order payments on account of the principal thereof and

of the interest thereon may be made. Each registered holder of the Bond, by receiving or accepting such Bond, shall consent and agree and shall be estopped to deny that such Bond may be transferred only in accordance with the provisions of this Financing Agreement. The Lender hereby covenants and agrees that the Bond shall not be transferable except to an "accredited investor" as defined in the Securities Act of 1933 and the rules and regulations promulgated thereunder and only upon compliance with applicable State of Alabama and federal securities laws.

(b) The IDB hereby transfers and assigns to the Lender, and the Lender hereby accepts such transfer and assignment, the right of the IDB to receive all installments of Basic Rent from the University under the Lease. As a result of such assignment, each installment of Basic Rent under the Lease owing to the IDB shall be remitted directly to the Lender, for the account of the IDB, from the University. For the avoidance of doubt, any such payments shall be credited to principal and interest owed as Basic Rent under the Lease.

In every case involving any transfer, registration or exchange, the then registered Lender shall pay all taxes and other governmental charges, if any, required to be paid in connection with such transfer, registration or exchange.

The IDB and the Registrar may deem and treat the person in whose name the Bond is registered as the absolute owner thereof for all purposes, they shall not be affected by notice to the contrary, and all payments by either of them to the person in whose name the Bond is registered shall to the extent thereof fully discharge and satisfy liability for the same.

Section 5.3 Source of Payment; Limited Obligation. The Bond, together with interest thereon, shall be a limited obligation of the IDB payable by the IDB solely from Pledged Property and shall be a valid claim of the Lender only against the Pledged Property, which shall be used for no other purpose than to pay the principal of and the interest on the Bond. The Bond shall not constitute in any manner an obligation of the Municipality or a general obligation of the IDB.

Section 5.4 Bond as Privately Negotiated Loan; Role of Lender. (i) The IDB and the University acknowledge and agree that the Lender is acquiring the Bond in evidence of a privately negotiated loan and in that connection the Bond shall not be (a) assigned a separate rating by any municipal securities rating agency, (b) registered with The Depository Trust Company or any other securities depository, (c) issued pursuant to any type of offering document or official statement, or (d) assigned a CUSIP number by Standard & Poor's CUSIP Service. Each of the IDB and the University understands, acknowledges and agrees as follows: (a) the Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services, and (b) with respect to this Financing Agreement and any other information, materials or communications provided by the Lender: (1) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (2) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 14B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to this Financing Agreement, information, materials or communications; (3) the Lender and its representatives are acting for their own interests; and (4) the IDB and the University have been informed that they should discuss this Financing Agreement and any such other information, materials or communications with any and all internal and external advisors and experts that they deem appropriate before acting on this Financing Agreement or any such other information, materials or communications.

ARTICLE VI

THE CONSTRUCTION FUND

Section 6.1 Construction Fund. There is hereby created a special fund of the IDB, the name of which shall be the "2024 Construction Fund," for the purpose of providing funds for payment of Project Development Costs. The moneys deposited into the Construction Fund shall be paid out from time to time for the purpose of paying Project Development Costs. The IDB hereby designates the Lender as the initial depository and custodian of the Construction Fund.

ARTICLE VII

PARTICULAR COVENANTS OF THE IDB AND THE UNIVERSITY

Section 7.1 Payment of the Bond. The IDB will pay or will cause to be paid, out of the Pledged Property, the principal of and the interest on the Bond as specified therein, and it will otherwise perform all obligations that, either expressly or by reasonable implication, are imposed on it in the Financing Agreement, and it will not default hereunder.

Section 7.2 Concerning the Lease. The Financing Agreement and the rights and privileges of the Lender are specifically made subject to the rights, options and privileges of the University under the Lease, and nothing herein contained shall be construed to impair the rights, options and privileges granted to the University by the Lease. So long as the Lease shall remain in effect the IDB will cause the Basic Rent payable thereunder to be paid to the Lender as provided in the Lease and as set forth in Section 5.2(b) hereof. The IDB will not cancel, terminate or modify, or consent to the cancellation, termination or modification of, the Lease (except as is specifically provided, authorized or contemplated therein or herein) without the prior written consent of the Lender unless and until the principal of and the interest on the Bond shall have been paid in full.

Section 7.3 Sale of Improvements Prohibited Except under Certain Conditions. The IDB will not hereafter sell or otherwise dispose of the whole or any integral part of the Project Site or the Improvements until the principal of and the interest on the Bond have been paid in full. If the laws of Alabama at the time shall permit such action to be taken, nothing contained in this section shall prevent the consolidation of the IDB with, or the merger of the IDB into, any public corporation having corporate authority to carry on the business of leasing the Improvements and whose property and income are not subject to federal or Alabama taxation, or the transfer by the IDB of the Improvements as an entirety to the Municipality or to another public corporation whose property and income are not subject to federal or Alabama taxation; provided, that upon any such consolidation, merger or transfer the due and punctual payment of the principal of and the interest on the Bond according to their tenor and the due and punctual performance and observance of all the agreements and conditions of the Financing Agreement to be kept and performed by the IDB shall be expressly assumed in writing by the corporation resulting from such consolidation or surviving such merger or to which the Improvements shall be transferred as an entirety; and provided, further, that such consolidation, merger or transfer shall not cause or result in any mortgage or other lien being affixed to or imposed on or becoming a lien on the Improvements or the revenues therefrom that will be prior to or on a parity with the lien of the Financing Agreement or the pledge herein made for the benefit of the Bond or in the interest on the Bond becoming subject to federal or Alabama income taxation. Nothing contained herein shall, however, be construed to prevent the IDB from granting the easements or making the conveyances authorized by the Lease.

Section 7.4 Recordation; Further Assurances. The IDB will file the Financing Documents, and any supplements thereto hereafter executed, in such public office or offices in which said documents are required by law to be filed in order to constitute constructive notice thereof and to preserve and protect fully the rights and security afforded thereby to the Lender. In addition, the IDB will, upon reasonable request, execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out more effectually the purpose of the Financing Documents, and in particular (without in any way limiting the generality of the foregoing) to make subject to the lien hereof any property hereafter acquired as a part of the Improvements and to transfer to any successor Lender or the assets, powers, instruments and funds

held in trust hereunder and to confirm the lien of the Financing Documents with respect to any bonds issued thereunder.

No failure to request such further instruments or further acts shall be deemed a waiver of any right to the execution and delivery of such instruments or the doing of such acts or be deemed to affect the interpretation of any provisions of the Financing Agreement.

Section 7.5 Audited Financial Statements. The University will furnish its audited financial statements to the Lender on an annual basis, commencing with the audited financial statements for the fiscal year ended September 30, 2024, and will provide such audited financial statements within 180 days of the end of each fiscal year of the University.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF LENDER

Section 8.1 Events of Default Defined. Any of the following shall constitute an event of default hereunder by the IDB:

(a) Failure by the IDB to pay the principal of, the interest on or the premium (if any) on any Bond as and when the same become due as therein and herein provided (whether such shall become due by maturity or otherwise);

(b) A default by the University under the Lease and the continuance thereof after the grace period, if any, provided therein;

(c) Failure by the IDB to perform and observe any of the agreements and covenants on its part herein contained other than (i) its agreement to pay the principal of, the interest on and the premium (if any) on the Bond, and (ii) any other agreement with respect to which its failure to perform is the result of an "event of default" by the University under the Lease after sixty (60) days' written notice to the IDB of such failure made by the Lender, unless during such period or any extension thereof the IDB has commenced and is diligently pursuing appropriate corrective action; or

(d) An Act of Bankruptcy with respect to the University or the IDB.

Section 8.2 Remedies on Default. Upon any default in any one of the ways defined in the preceding Section 8.1 hereof, the Lender shall have the following rights and remedies:

(a) **Acceleration.** Upon the occurrence of any event of default under Section 8.1 hereof, the Lender may, by notice in writing delivered to the IDB and the University, declare the principal of the Bond and the interest accrued thereon to the date of declaration of such acceleration immediately due and payable. Upon any acceleration hereunder, the Lender shall immediately declare the payments

required to be made by the University under the Lease to be immediately due and payable in accordance with Section 7.02 of the Lease.

(b) **Other Remedies.** The Lender shall have the power to proceed with any other right or remedy independent of or in aid of the foregoing powers, as it may deem best, including the right to foreclose any of the Financing Documents, as applicable, by bill in equity or by proceedings at law, the right to secure specific performance by the IDB of any agreement on its part herein contained, and the right to the appointment, as a matter of right and without regard to the sufficiency of the security afforded by the Improvements, of a receiver for all or any part of the Improvements and the earnings, rents and income therefrom; the rights here specified are to be cumulative to all other available rights, remedies or powers and shall not exclude any such.

Section 8.3 Waivers of Events of Default. The Lender may waive any Event of Default and its consequences and rescind any declaration of maturity of principal. No such waiver, rescission and annulment shall extend to or affect any subsequent Event of Default or impair any right or remedy consequent thereon.

ARTICLE IX

REPRESENTATIONS

Section 9.1 Representations of the IDB. The IDB makes the following representations in connection with execution and delivery of the Financing Agreement and the Bond:

(i) the IDB has the power to consummate the transactions contemplated by this Financing Agreement, the Lease and the Negative Pledge;

(ii) this Financing Agreement constitutes a legal, valid and binding obligation and is enforceable against it in accordance with the terms hereof, except as enforcement thereof may be limited by (1) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights and (2) general principles of equity, including the exercise of judicial discretion in appropriate cases;

(iii) the IDB does not intend to use any part of the proceeds of the Bond, and has not incurred any indebtedness to be reduced, retired, or purchased by it out of such proceeds, for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, and it does not own and has no intention of acquiring any such margin stock;

(iv) the IDB has, by proper corporate action, duly authorized the execution and delivery of this Financing Agreement, the Lease and the Negative Pledge and the consummation of the transactions contemplated herein;

(v) the IDB has obtained all consents, approvals, authorizations and orders of governmental authorities that are required to be obtained by it as a condition to the execution and delivery of this Financing Agreement, the Lease and the Negative Pledge;

(vi) there is no action, suit, proceeding, inquiry or investigation pending before any court or governmental authority, or threatened against it or affecting it or its properties, that (1) involves the consummation of the transactions contemplated by, or the validity or enforceability of, this Financing Agreement, the Lease or the Negative Pledge, or (2) could have a materially adverse impact upon its financial condition or operations;

(vi) neither it nor any of its principals, shareholders, members, partners, or Affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person; and, further, that it and its principals, shareholders, members, partners, or affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any Person named as a Specially Designated National and Blocked Person.

Section 9.2 Representations of the Lender. The Lender makes the following representations in connection with execution and delivery of the Financing Agreement that:

(i) subject to the provisions of Article IX hereof, the obligation of the Lender to make Advances to the IDB during the Construction Period up to the maximum amount authorized herein is absolute and unconditional and has been authorized by all necessary corporate action of the Lender; and

(ii) the Lender shall not transfer or assign this Financing Agreement or the Bond during the Construction Period.

Section 9.3 Representations of the University. The University makes the following representations in connection with execution and delivery of the Financing Agreement and the Bond:

(i) the University has the power to consummate the transactions contemplated by this Financing Agreement and the Lease;

(ii) the University is validly existing as a public corporation and instrumentality of the State of Alabama;

(iii) this Financing Agreement constitutes a legal, valid and binding obligation and is enforceable against it in accordance with the terms hereof, except as enforcement thereof may be limited by (1) bankruptcy, insolvency, or other similar laws affecting the enforcement of creditors' rights and (2) general principles of equity, including the exercise of judicial discretion in appropriate cases;

(iv) the University does not intend to use any part of the proceeds of the Bond, and has not incurred any indebtedness to be reduced, retired, or purchased by it out of such proceeds, for the purpose of purchasing or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System, and it does not own and has no intention of acquiring any such margin stock;

(v) the University has, by proper corporate action, duly authorized the execution and delivery of this Financing Agreement and the Lease and the consummation of the transactions contemplated herein;

(vi) the University has obtained all consents, approvals, authorizations and orders of governmental authorities that are required to be obtained by it as a condition to the execution and delivery of this Financing Agreement and the Lease;

(vii) there is no action, suit, proceeding, inquiry or investigation pending before any court or governmental authority, or threatened against it or affecting it or its properties, that (1) involves the consummation of the transactions contemplated by, or the validity or enforceability of, this Financing Agreement or the Lease, or (2) could have a materially adverse impact upon its financial condition or operations; and

(vii) neither it nor any of its principals, shareholders, members, partners, or Affiliates, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person; and, further, that it and its principals, shareholders, members, partners, or affiliates, as applicable, are not directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this transaction on behalf of any Person named as a Specially Designated National and Blocked Person.

ARTICLE X

MODIFICATION OF THE LEASE

Section 10.1 Amendments to Lease. The IDB and the University may amend, modify or change the Lease without the prior consent of the Lender, but only if such amendment, modification or change to the Lease does not impair, in any respect, the rights of the Lender or jeopardize the ability of the University to pay, as and when due, whether at maturity, upon acceleration or otherwise, the principal of and interest on the Bond. All other amendments, modifications or changes to the Lease require the prior written consent of the Lender.

ARTICLE XI

PAYMENT AND CANCELLATION OF THE BONDS AND SATISFACTION OF THE FINANCING AGREEMENT

Section 11.1 Satisfaction of Financing Agreement. When (i) all amounts owed to the Lender under this Financing Agreement, including, without limitation, the principal of, and interest on, the Bond issued hereunder have been paid, or the Bond has been "deemed paid" as described in Section 11.2 hereof, and (ii) no Additional Rent is owed to the IDB under the Lease, then the right, title and interest of the Lender hereunder shall thereupon cease and the Lender, on demand of the IDB, shall release this Financing Agreement and shall execute such documents to evidence such release as may be reasonably required by the IDB and shall turn over to the University or to such person, body or authority as may be entitled to receive the same all balances then held by it hereunder; provided, however, that the obligations of the University to the IDB pursuant to the provisions of the Lease respecting release of the IDB shall survive any satisfaction of this Financing Agreement.

Section 11.2 Trust for Payment of Debt Service. The IDB may provide for the payment of the Bond by establishing a trust for such purpose with a financial institution and depositing cash and/or Federal Securities (assuming the due and punctual payment of the principal of and interest on such Federal Securities, but without reinvestment) that will provide funds sufficient to pay the Debt Service on the Bond as the same becomes due and payable until the maturity or prepayment of the Bond; provided, however, that

(a) such Federal Securities must not be subject to redemption prior to their respective maturities at the option of the issuer of such Federal Securities; and

(b) prior to the establishment of such trust the Lender must receive a report by an independent certified public accountant stating in effect that the principal and interest payments on the Federal Securities in such trust, without reinvestment, together with the cash initially deposited therein, will be sufficient to make the required payments from such trust.

The Bond shall be "deemed paid" under this Financing Agreement if the IDB has established a trust complying with the foregoing provisions of this section.

Section 11.3 Cancellation of Bond. When and as the Bond is paid, it shall be forthwith delivered to the IDB and cancelled and destroyed thereby.

ARTICLE XII

MISCELLANEOUS PROVISIONS

Section 12.1 Disclaimer of General Liability. It is hereby expressly made a condition of this Financing Agreement that any agreements, covenants or representations herein contained or contained in the Bond do not and shall never constitute or give rise to any personal or pecuniary liability or charge against the general credit of the IDB, and in the event of a breach of any such

agreement, covenant or representation, no personal or pecuniary liability or charge payable directly or indirectly from the general revenues of the IDB shall arise therefrom. Nothing contained in this section, however, shall relieve the IDB from the observance and performance of the several covenants and agreements on its part herein contained.

Section 12.2 Limitation of Rights. Nothing herein or in the Bond shall confer any right on anyone other than the IDB, the Lender, and the University.

Section 12.3 Financing Agreement Governed by Alabama Law. It is the intention of the Parties hereto that the Financing Agreement shall in all respects be governed by the laws of the State of Alabama.

Section 12.4 Waiver of Jury Trial. To the extent permitted by applicable law, each of the Parties hereto irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between any or all of the Parties, whether arising in contract or tort or by statute, including but not limited to any controversy or claim that arises out of or relates to this Financing Agreement, or any of the other Financing Documents. Each of the IDB and the University agrees that this provision is a material inducement for the Lender's determination to enter into this Financing Agreement and undertake the transactions herein stated or as stated in the other Financing Documents.

Section 12.5 Lender not a Municipal Advisor. The IDB and the University agree, represent and understand as follows:

(i) The Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services; and

(ii) With respect to the Financing Documents and any other information, materials or communications provided by the Lender: (i) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (ii) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to the Financing Documents, information, materials or communications; (iii) the Lender and its representatives are acting for their own interests; and (iv) each of the IDB and the University has been informed that the IDB and the University, as the case may be, should discuss the Financing Documents and any such other information, materials or communications with any and all internal and external advisors and experts that the IDB and the University, as the case may be, deems appropriate before acting on the Financing Documents or any such other information, materials or communications.

Section 12.6 Modification or Amendment; Severability; Counterparts. (a) This Financing Agreement may not be modified, amended or otherwise changed unless pursuant to a written instrument executed and delivered by each of the Parties hereto.

(b) Any provision of this Financing Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or thereof or affecting the validity or enforceability of such provision in any other jurisdiction.

(c) This Financing Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement, and any Party may execute this Financing Agreement by executing any one or more of such counterparts.

Section 12.7 Notices. All notices, demands, requests and other communications hereunder shall be deemed sufficient and properly given if in writing and delivered in person to the following addresses or mailed by certified or registered mail, postage prepaid with return receipt requested, at such addresses:

(a) If to the IDB:

The Industrial Development Board of
the City of Huntsville
225 Church Street NW
Huntsville, Alabama 35801
Attn: Chairman
Email:

(b) If to the University:

Auburn University
Samford Hall
182 S. College St.
Auburn, Alabama 36849
Attn: Kelli D. Shomaker
Email: kds0053@auburn.edu

with a copy to:

Bradley Arant Boult Cummings LLP
One Federal Place
1819 Fifth Avenue North
Birmingham, Alabama 35203
Attn: Rod Kanter
Email: skanter@bradley.com

(c) If to the Lender:

Regions Commercial Equipment Finance, LLC
1900 Fifth Avenue North, Suite 2400
Birmingham, Alabama 35203
Attn: Bo Buckner
Email: bo.buckner@regions.com

with a copy to:
Maynard Nexsen, PC
1901 Sixth Avenue North, Suite 1700
Birmingham, Alabama 35203
Attn: Barry Staples
Email: bstaples@maynardnexsen.com

Any of the above-mentioned parties may, by like notice, designate any further or different addresses to which subsequent notices shall be sent. Any notice hereunder signed on behalf of the notifying party by a duly authorized attorney at law shall be valid and effective to the same extent as if signed on behalf of such party by a duly authorized officer or employee. Any notice given hereunder shall be deemed to have been given upon receipt by the person to whom such notice is required to be given hereunder.

IN WITNESS WHEREOF, each of the IDB, the University and the Lender has caused this Financing and Advance Agreement to be executed by a duly authorized officer thereof, and have caused this Financing Agreement to be dated _____, 2024.

THE INDUSTRIAL DEVELOPMENT
AUTHORITY OF THE CITY OF HUNTSVILLE

By _____
Chairman of its Board of Directors

Attest:

Its Secretary

[S E A L]

AUBURN UNIVERSITY

By _____
Senior Vice President of Business and
Administration & Chief Financial Officer

Attest:

Secretary of its Board of Trustees

[signature page of Lender follows]

REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC,
as Lender

By _____

Its _____

Attest:

Its _____

STATE OF ALABAMA)
 :
COUNTY OF MADISON)

I, _____, a Notary Public in and for said county in said state, hereby certify that _____, whose name as Chairman of the Board of Directors of **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF HUNTSVILLE**, a public corporation under the laws of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said public corporation.

GIVEN under my hand and official seal of office, this ____ day of _____, 2024.

Notary Public

[NOTARIAL SEAL]

My Commission Expires: _____

)

$$\vdots$$

)

STATE OF ALABAMA)
 :
COUNTY OF JEFFERSON)

I, _____, a Notary Public in and for said county in said state, hereby certify that _____, whose name as _____ of **REGIONS COMMERCIAL EQUIPMENT FINANCE, LLC**, an Alabama limited liability company, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of the within instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said limited liability company.

GIVEN under my hand and official seal of office, this ____ day of _____, 2024.

Notary Public

[NOTARIAL SEAL]

My Commission Expires: _____

EXHIBIT A

PROJECT SITE DESCRIPTION

EXHIBIT B

DESCRIPTION OF IMPROVEMENTS

EXHIBIT C

FORM OF ADVANCE REQUEST

Advance Request No. _____

Date of Advance Request: _____, 20____

To: Regions Commercial Equipment Finance, LLC

From: The Industrial Development Board of the City of Huntsville

Re: Financing and Advance Agreement dated _____, 2024 (the "Financing Agreement") among Regions Commercial Equipment Finance (the "Lender"), The Industrial Development Board of the City of Huntsville (the "IDB") and Auburn University (the "University").

Amount of Advance. The IDB hereby requests an Advance pursuant to the Financing Agreement in the amount of \$_____.

Wire Instructions. This Advance is to be made by wire transfer or intrabank transfer to the Construction Fund (as defined in the Financing Agreement).

Aggregate Amount of Advances Requested. The aggregate amount of Advances requested by the IDB to date (including the Advance requested in this Advance Request) is \$_____.00, which, together with the estimated sum of the Pre-Amortization Period Interest Amount to be due on the calendar day immediately preceding the Amortization Period, does not exceed \$18,000,000.

Capitalized terms not otherwise defined in this Advance Request shall have the meaning assigned in the Financing Agreement.

**THE INDUSTRIAL DEVELOPMENT
BOARD OF THE CITY OF HUNTSVILLE**

By: _____
Authorized IDB Representative

Exhibit B

LEASE AGREEMENT

between

**THE INDUSTRIAL DEVELOPMENT BOARD OF
THE CITY OF HUNTSVILLE**

and

AUBURN UNIVERSITY

Dated November ____, 2024

Pertaining to

**\$18,000,000
THE INDUSTRIAL DEVELOPMENT BOARD OF THE
CITY OF HUNTSVILLE
Revenue Bond
(AU Research Facility Project)
Series 2024**

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EXHIBIT A - Description of Real Property
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LEASE AGREEMENT dated _____, 2024, between **THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF HUNTSVILLE**, a public corporation organized under the laws of the State of Alabama (the "Issuer"), and **AUBURN UNIVERSITY**, a public corporation and instrumentality of the State of Alabama (the "Lessee").

Recitals

A. The Lessee is regularly engaged in various research and development activities within and outside the main campus of Auburn University including, among other locations, within 40,000 feet of laboratory space in the Auburn University Applied Research Institute at Cummings Research Park ("CRP") in the City of Huntsville, Alabama, wherein the Lessee conducts cutting-edge research and development in the areas of advanced manufacturing, biotechnology, quantum metrology, cyber and critical infrastructure security, and assured position, navigation and timing.

B. The Lessee's 2024 Strategic Plan includes doubling its research initiative, and Lessee has determined it is necessary and desirable to obtain additional research space at CRP for research and development of new products and processes, to improve existing products and processes, and for facilities for the national defense under contracts with the United States government.

C. Subsequent to the execution of this Lease and contemporaneously with the funding of Loan (as defined below) by the Lender (as defined below) pursuant to the Financing Agreement (as defined below), the Issuer shall acquire fee simple title to a parcel of real property located within CRP more particularly described herein as the Project Site, and has agreed to cause to be constructed thereon an approximately 50,911 square foot research facility for lease to the Lessee, all as more particularly described and set forth herein.

D. Under this Lease Agreement the Issuer shall (i) lease the Project to the Lessee, and the Lessee will pay Basic Rent (hereinafter defined) to the Issuer at such times and in such amounts as shall be sufficient to pay, as and when due, the principal of and interest on the Bond hereinafter described, and (ii) transfer and assign to the Lender all the Issuer's rights to such Basic Rent.

E. Pursuant to the terms of a Financing and Advance Agreement of even date herewith (the "Financing Agreement"), among Regions Commercial Equipment Finance, LLC, as lender (the "Lender"), the Issuer, and the Lessee, the Lender has agreed to make a loan to the Issuer, through a series of advances (each, an "Advance"), in the principal amount of up to \$18,000,000 (the "Loan") in order to (i) retire the obligation of the Issuer to purchase the Project Site, (ii) pay the costs of acquiring, constructing, and equipping the Project (hereinafter described), (iii) pay for all accrued but unpaid interest on the Loan through the calendar day immediately preceding the start of the Amortization Period (as defined in the Financing Agreement), and (iv) pay the costs of issuing the Bond hereinafter described.

F. Pursuant to the Financing Agreement, the Issuer has issued its not to exceed \$18,000,000 Revenue Bond (AU Research Facility Project), Series 2024 (the "Bond"), as a limited obligation of the Issuer payable solely from, and secured solely by, payments of Basic

Rent made by the Lessee pursuant to this Lease Agreement (as further detailed in the Financing Agreement).

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants hereinafter contained, the parties hereto covenant, agree and bind themselves as follows:

ARTICLE 1

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01 Definitions

For all purposes of this Lease Agreement, except as otherwise expressly provided or unless the context otherwise requires, capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Financing Agreement and singular terms shall include the plural as well as the singular, and vice versa. In addition, the following words and phrases shall have the following meanings:

"Act" means Article 4 of Chapter 54 of Title 11 of the Code of Alabama 1975, as amended.

"Equipment" shall have the meaning assigned in Demising Clause III of Section 3.01 and shall include that certain machinery, equipment, personal property and fixtures generally described on Exhibit B hereto and any machinery, equipment, personal property and fixtures that under the terms hereof constitute a part of the Equipment.

"Financing Documents" means, together, this Lease Agreement, the Financing Agreement, the Bond, and the Negative Pledge and Assignment of Rents and Leases, each as, from time to time, modified, amended, restated, or supplemented.

"Negative Pledge and Assignment of Rents and Leases" shall mean that certain Negative Pledge and Assignment of Rents and Leases from Issuer to the Lender dated of even date herewith.

"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 Issuer and to be leased to the Lessee pursuant hereto as a new research and development complex and related ancillary improvements or other purposes consistent with the provisions of Section 11-54-80 of the Code of Alabama 1975, et. seq, 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 3.01 hereof.

"Project Site" means the approximately 13.04 acres upon which the new research and development complex will be initially constructed, and which constitutes a part of the Project

Site.

"Project Supervisor (Issuer)" shall mean any one of [REDACTED] or [REDACTED], and any successor(s) thereto appointed by the Issuer in writing.

"Project Supervisor (Lessee)" shall mean any one of Mark Stirling or any other person so named by him as the Project Supervisor (Lessee) in a writing sent to the Issuer, and any successor(s) thereto appointed by the Lessee.

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

SECTION 1.02 Separability Clause

If any provision in this Lease Agreement shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.03 Governing Law

This Lease Agreement shall be construed in accordance with and governed by the laws of the State of Alabama.

SECTION 1.04 Counterparts

This instrument may be executed in any number of counterparts, each of which so executed shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument.

ARTICLE 2

ISSUANCE OF THE BOND; CONSTRUCTION AND ACQUISITION OF THE PROJECT

SECTION 2.01 Agreement to Issue Bond; Application of Bond Proceeds

Concurrently with the execution of this Lease Agreement, the Issuer will issue, sell and deliver the Bond and will request Advances in order to provide funds for the payment of the costs of the Project.

SECTION 2.02 Agreement to Construct and Acquire Project

(a) The Issuer shall obtain all necessary governmental permits, licenses, certificates, authorizations and approvals necessary for the acquisition, construction and operation of the Improvements, and the Lessee shall reimburse the Issuer for the costs of all such governmental permits, licenses, certificates, authorizations and approvals through the payment of Additional Rent. When all necessary governmental permits, licenses, certificates, authorizations and approvals and all necessary approvals from the Issuer and the Lessee have been obtained, the

Issuer shall promptly begin construction of the Improvements and expects to complete said final construction by [October 31, 2025]. The Issuer agrees that such construction will be in accordance with the approved plans and specifications attached hereto as Exhibit C (the "Plans and Specifications"), the applicable laws of the City of Huntsville, Alabama, and the requirements of this Lease Agreement. The Issuer shall cause the Bond proceeds to be advanced for design, supervision, construction and acquisition of the Real Property, the Improvements and the Equipment by requesting Advances, in accordance with the requirements of the Financing Agreement, 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 the Issuer or the Lessee in furtherance of the Project, such expenses shall be reimbursed out of Bond proceeds to the party having advanced funds to pay for such expenses. The Improvements shall be constructed substantially in accordance with the Plans and Specifications and the drawings heretofore furnished to the Lessee. The Issuer and the Lessee, by the execution and delivery hereof, approve the Plans and Specifications and drawings for the Improvements. It is anticipated that the drawings and Plans 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 only upon the approval, and in the sole discretion, of the Lessee; provided, such changes or amendments would not materially affect the utility of the Improvements for their intended use.

(b) All improvements which are hereafter built on the Real Property and the Project Site shall be subject to the prior written approval of the Issuer and the Lessee, which approval shall not be unreasonably withheld or delayed. No such buildings or improvements may be commenced until the Issuer and the Lessee have given such approval. The Lessee shall submit a preliminary set of plans and specifications for any such building or improvements (prepared by a registered architect) to the Issuer prior to the date upon which the Lessee wishes to commence construction of such additional building or other improvements. The Issuer shall not be liable in damages to the Lessee or any other party by reason of error or mistake in judgment or negligence of the Issuer 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, (ii) costs of issuing the Bond, and (iii) the other costs permitted in the Act and hereunder. The Issuer 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 in accordance with Section 2.02(a) hereinabove. The Issuer will not execute any contract or purchase orders for the Project without the prior written consent of the Lessee.

(d) The Issuer 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.

(e) The Project Supervisor (Issuer) and the Project Supervisor (Lessee) are authorized to act for their respective party in any or all matters relating to the acquisition and construction of the Project and payments to be made from Advances. Either the Issuer 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 (the Project Supervisor (Lessee)), and at least one agent authorized to act on behalf of the Issuer (the Project Supervisor (Issuer)), with reference to all of the foregoing matters. The Project Supervisor (Issuer) at any time designated by the Issuer is hereby irrevocably appointed as agent for the Issuer to issue and execute, for and in the name and behalf of the Issuer and without any further approval of the board of directors of the Issuer or any officer, employee or other agent thereof, requests for Advances. The Project Supervisor (Lessee) at any time designated by the Lessee is hereby irrevocably appointed as agent for the Lessee to issue and execute, for and in the name and behalf of the Lessee and without any further approval of the board of trustees of the Lessee or any officer, employee or other agent thereof, requests for Advances.

(f) In the event the proceeds derived from the sale of the Bond 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 and shall save the Issuer whole and harmless from any obligation to pay such deficiency. The Lessee shall not by reason of the payment of such deficiency from its own funds be entitled to any diminution in the payment of Basic Rent hereunder.

SECTION 2.03 Completion of the Project

(a) The completion of the Project shall be evidenced by a certificate signed by the Project Supervisor (Issuer) on behalf of the Issuer stating that (1) construction of the Project has been completed in accordance with the Plans and Specifications approved by the Issuer and the Lessee, (2) the Equipment has been acquired and installed in accordance with the Issuer'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 Lease Agreement which exist at the date of such certificate or which may subsequently come into being.

(b) After the delivery of the aforesaid certificate, any money then remaining in the Construction Fund shall be applied as provided in the Financing Agreement.

ARTICLE 3

LEASE TERM AND RENTAL PAYMENTS

SECTION 3.01 Demising Clauses

For and in consideration of the performance and observance by the Lessee of the agreements and covenants of this Lease Agreement to be performed and observed by the Lessee, the Issuer does hereby lease and demise to the Lessee, and the Lessee does hereby lease, take and hire from the Issuer, 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 Bond or with funds advanced or paid by the Lessee pursuant to this Lease Agreement (the "Improvements"). The Improvements shall initially consist of a building which shall contain approximately 50,911 square feet for use as a research and development facility.

III.
(Equipment)

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

SECTION 3.02 Lease Term

The term of this Lease Agreement shall begin on the date of the delivery hereof and, unless renewed and extended in accordance with the terms of this Lease Agreement and the Financing Agreement or terminated as provided herein, shall continue until the earliest of (i) midnight of [_____, 2035], or (ii) the date of payment in full of the Bond.

SECTION 3.03 Basic Rent

(a) On or before each date on which Debt Service is due (each such date, a "Bond Payment Date"), until the principal of and interest on the Bond shall have been fully paid or provision for such payment shall have been made as provided in the Financing Agreement, the Lessee covenants and agrees to make rental payments to the Lender, for the account of the Issuer, in an amount equal to the amount payable on such Bond Payment Date as principal of and interest on the Bond (as may be adjusted pursuant to the terms of the Financing Agreement) ("Basic Rent"), whether coming due at maturity, upon redemption, acceleration or otherwise.

(b) Basic Rent shall be made in immediately available funds at the office of the Lender on the due date therefor.

(c) The Lessee shall have and is hereby granted the option to prepay Basic Rent in an amount sufficient to prepay the Bond in whole or in part in accordance with Section 3.4 of the Financing Agreement or to provide for payment of the Bond in accordance with Section 3.4 of the Financing Agreement.

SECTION 3.04 Additional Rent

Within 10 days after receipt by the Lessee of an invoice therefor, the Lessee shall make additional payments ("Additional Rent") to the Issuer for any amounts other than Basic Rent owed to Issuer hereunder or under any other Financing Documents and for the reasonable costs and expenses of the Issuer (including reasonable attorneys' fees and expenses) incurred or expected by the Issuer to be incurred (i) at the request of the Lessee, (ii) in the performance of the Issuer's duties under any of the Financing Documents, (iii) in connection with the Bond, the Improvements or the Financing Documents, (iv) in the pursuit of any remedies under the Financing Documents, or (v) in connection with any litigation or claims respecting the Improvements, the Financing Documents, the Bond, or any transactions contemplated thereunder. The obligation of the Lessee to pay Additional Rent as specified in this Section shall survive termination of this Lease Agreement.

SECTION 3.05 Overdue Payments

Any overdue Basic Rent shall bear interest from the related Bond Payment Date until paid at the rate determined under the Financing Agreement for overdue Debt Service (the "Post-Default Rate") on the Bond. Any overdue Additional Rent shall bear interest from the date due until paid at the Post-Default Rate for such Additional Rent specified in the Financing Agreement.

SECTION 3.06 Unconditional Obligation of the Lessee

The obligations of the Lessee to make the rental payments required in Section 3.03 and Section 3.04 and to perform and observe all other agreements contained herein shall be absolute and unconditional and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the Issuer 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 Issuer, and, until such time as the principal of, premium, if any, and interest on the Bond shall have been fully paid or provision for the payment thereof shall have been made in accordance with the Financing Agreement, the Lessee (i) will not suspend or discontinue any rental payments provided for in Section 3.03 or Section 3.04 hereof, (ii) will perform and observe all other agreements contained in this Lease Agreement and (iii) except as otherwise provided herein, will not terminate this Lease Agreement for any cause, including, without limiting the generality of the foregoing, failure of the Issuer 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 Issuer 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 Issuer from the performance of any of the agreements on its part herein contained, and in the event the Issuer should fail to perform any such agreement on its part, the Lessee may institute such action against the Issuer 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 and any monetary recovery for the same is limited to the Issuer's interest in the Project as defined in the Financing Agreement as opposed to a general obligation of the Issuer.

ARTICLE 4

CONCERNING THE BOND AND THE FINANCING AGREEMENT

SECTION 4.01 Assignment of Lease Agreement and Basic Rent by Issuer

(a) Simultaneously with the delivery of this Lease Agreement, the Issuer shall, pursuant to the Financing Agreement, assign and pledge to the Lender all right, title and interest of the Issuer in and to the Basic Rent. The Lessee hereby consents to such assignment and pledge.

(b) Until all indebtedness of the Issuer at the time evidenced or secured by the Bond or the Financing Agreement or otherwise owed pursuant to the terms of the Financing Agreement ("Financing Agreement Indebtedness") has been paid in full, or provision for payment of which has been made under the Financing Agreement, the Lender may, pursuant to the assignment and pledge under the Financing Agreement, exercise all rights and remedies herein accorded to the Issuer, and any references herein to the Issuer shall be deemed, with the necessary changes in detail, to include the Lender; provided, however, that the Issuer shall retain the rights to receipt of Additional Rent and to reimbursement of expenses granted to it by this Lease Agreement.

SECTION 4.02 Effect of Full Payment of Indebtedness

If all Financing Agreement Indebtedness is paid in full prior to the expiration of the term of this Lease Agreement, and if the Lessee has not yet exercised its option under Section 8.03 hereof to purchase the Improvements, then the Lessee shall be entitled to the use and occupancy of the Improvements until the expiration of the term of this Lease Agreement without the payment of any further Basic Rent, but otherwise subject to all the terms and conditions hereof, except that the Lessee shall no longer be required to perform and observe the agreements and covenants of this Lease Agreement that are for the sole benefit of the Issuer or the Lender.

ARTICLE 5

THE IMPROVEMENTS

SECTION 5.01 Possession and Use of Improvements

(a) So long as no Lease Default exists, the Lessee shall be permitted to possess, use, manage, operate and enjoy the Improvements without hindrance on the part of the Issuer (or any party claiming by, through or under the Issuer), subject, however, to all of the terms and conditions of this Lease Agreement.

(b) The Issuer shall be permitted such possession of the Improvements as shall be necessary and convenient for it to satisfy its obligation to cooperate with the Lessee pursuant to the terms of this Lease Agreement.

SECTION 5.02 Maintenance and Other Operating Expenses

The Lessee will, at its own expense, (i) cause the Improvements to be maintained and kept in good condition, repair and working order, (ii) cause to be made all necessary repairs, renewals, replacements, betterments and improvements to the Improvements as may be necessary so that the operations carried on in connection therewith may be properly and advantageously conducted at all times, and (iii) pay all gas, electric, water, sewer and other charges for the operation, use and upkeep of the Improvements.

SECTION 5.03 Taxes, Assessments, Etc.

The Lessee will pay or cause to be paid as they become due and payable all taxes, assessments and other governmental charges lawfully levied or assessed or imposed upon the Improvements; provided, however, that the Lessee shall not be required to pay and discharge or cause to be paid and discharged any such tax, assessment or governmental charge to the extent that the amount, applicability or validity thereof shall currently be contested in good faith by appropriate proceedings and the Lessee shall have established and shall maintain adequate reserves on its books for the payment of the same.

SECTION 5.04 Improvements, Alterations, Etc.

The Lessee may, at its own expense, make changes, additions, improvements or alterations to the buildings, structures, equipment and other improvements constituting a part of the Improvements, provided that the Lessee determines, in its judgment, that such changes, additions, improvements or alterations are necessary or desirable in connection with the operations of the Lessee carried on at the Project Site. At the written request of the Lessee, the Issuer will enter into a contract for such changes, additions, improvements, or alterations, subject, however, to the requirements of Section 9.01 hereof.

SECTION 5.05 Utility Easements

The Issuer will, upon request of the Lessee, grant such utility and other similar easements over, across or under the Project Site or to real property adjacent to the Project Site that is owned

or leased by the Lessee as shall be necessary or convenient for the furnishing of utility and other similar services to the Improvements and the operations of the Lessee to be conducted thereat; provided, that such easements shall not, in the opinion of the Lessee, materially impair the use of the Improvements for the purposes for which the same is leased by the Lessee.

SECTION 5.06 Transfer or Encumbrance Created by Issuer

Without the prior written consent of the Lessee, the Issuer (i) will not sell, transfer or convey the Improvements or any part thereof, except as provided in this Lease Agreement, and (ii) will not create or incur or suffer or permit to be created or incurred or to exist any mortgage, lien, charge or encumbrance on the Improvements or any part thereof other than Permitted Encumbrances.

SECTION 5.07 Assignment, etc. of Leasehold Interest

The Lessee may assign its rights under this Lease Agreement or mortgage its leasehold interest in the Improvements or sublease the Improvements or any part thereof, subject to the following limitations:

- (1) prior to entering into any such assignment, mortgage or sublease, the Lessee shall obtain the written consent of the Lender;
- (2) no such assignment, mortgage or sublease shall permit or result in the use of the Improvements for any purpose that would not be permitted for facilities financed under the laws under which the Issuer was formed; and
- (3) within 30 days after the delivery of any such assignment, mortgage or sublease, the Lessee shall deliver a copy thereof to the Issuer and to the Lender.

SECTION 5.08 Lessee's Personal Property and Fixtures

(a) The Lessee may, at its own expense, install at the Project Site any personal property or fixtures which, in the Lessee's judgment, are necessary or desirable for the conduct of the operations carried on by the Lessee at the Project Site. Any such personal property or fixtures that are installed at the Lessee's expense and that do not constitute a part of the Improvements under the terms of this Lease Agreement shall be and remain the property of the Lessee and may be removed by the Lessee at any time; provided, that any damage to the Improvements occasioned by such removal shall be repaired by the Lessee at its own expense.

(b) If any personal property or fixtures described in subsection (a) of this Section are leased by the Lessee or the Lessee shall have granted a security interest in such property in connection with the acquisition thereof by the Lessee, 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 Lease Default shall then exist or this Lease Agreement shall have been terminated following a Lease 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 Improvements occasioned by such removal.

SECTION 5.09 Insurance

(a) During the period of construction of the Improvements, the Issuer will keep the Project and the Project Site insured, in its own name, against such risks as are customarily insured against by organizations of like size and type or as otherwise reasonably required by the Lender and will cause the construction contractor to maintain builder's risk insurance with respect to the Project. The Lessee will at all times keep the Improvements insured, in its own name, against such risks as are customarily insured against by organizations of like size and type as the Lessee or as otherwise reasonably required by the Lender. Without limiting the generality of the foregoing, the Lessee shall maintain general liability insurance, or self-insurance, respecting the premises on which the Improvements are located. The costs of all such insurance premiums incurred by the Issuer shall be reimbursed by the Lessee through the payment of Additional Rent.

(b) All insurance required by subsection (a) of this Section shall be effected with responsible insurance carriers.

(c) The Lessee shall deposit with the Lender a certificate or certificates of the respective insurers and upon the expiration, cancellation or material amendment of any such policy, the Lessee shall furnish to the Lender evidence reasonably satisfactory to the Lender that such policy has been renewed or replaced by another party.

SECTION 5.10 Damage and Destruction

If no Lease Default shall have occurred and be continuing and the Improvements or any part thereof are damaged or destroyed by fire or other casualty:

(a) The Issuer shall have no responsibility or obligation to repair, rebuild, replace or restore the Improvements.

(b) The Lessee shall continue to pay Basic Rent and will promptly give written notice of such damage and destruction to the Issuer and the Lender.

(c) All net proceeds of insurance from claims for such losses shall be deposited into the Construction Fund, whereupon (i) the Lessee, or the Issuer at the Lessee's direction, shall proceed to promptly repair, rebuild or restore the property damaged or destroyed to substantially the same condition in which it existed prior to the event causing such damage or destruction, with such changes, alterations and modifications (including the substitution and addition of other property) as may be desired by the Lessee and as will not impair the character of the Improvements as a "project" under the Act, and (ii) the Issuer, or the Lessee at the Issuer's direction, shall cause withdrawals to be made from the Construction Fund to pay the costs of repair, rebuilding or restoration, either on completion thereof or as the work progresses. The balance of any net proceeds remaining after the payment of all of the costs of such repair, rebuilding or restoration shall be applied to the redemption of the outstanding principal amount of the Bond in accordance with the provisions thereof and the Financing Agreement, or, if the Bond is no longer outstanding, shall be paid to the Lessee.

(d) In the event that the net proceeds of insurance are not sufficient to pay in full the costs of repairing, rebuilding or restoring the Improvements as provided in this Section, the Lessee shall nonetheless complete the work thereof and shall pay that portion of the costs thereof in excess of the amount of said proceeds to the Lender, for deposit into the Construction Fund. The Lessee shall not by reason of payment of such excess costs be entitled to any reimbursement from the Issuer or any abatement or diminution of the Basic Rent owed hereunder.

(e) Anything in this Section to the contrary notwithstanding, if the Improvements or any part thereof shall have been damaged or destroyed (A) to such extent that, in the opinion of the Lessee, it cannot be reasonably restored within a period of six consecutive months substantially to the condition thereof immediately preceding such damage or destruction, or (B) to such extent that, in the opinion of the Lessee, the Lessee is thereby prevented from carrying on its normal operations at the Improvements for a period of six consecutive months, or (C) to such extent that the costs of restoration thereof would exceed by more than \$100,000 the net proceeds of the insurance carried thereon pursuant to the requirements of this Agreement, then neither the Lessee nor the Issuer shall be required to repair, rebuild or restore the property damaged or destroyed, and so much of any net proceeds referable to such damage or destruction as shall be necessary to provide for full payment of all amounts owed to the Lender under the Financing Agreement shall be paid to the Lender and applied to the obligations of the Issuer and the Lessee under the Financing Agreement, and the excess remaining thereafter (if any) shall be paid to the Lessee; provided, however, if the net proceeds referable to any such damage or destruction shall not be sufficient to provide for full payment of all amounts owed to the Lender under the Financing Agreement, any remaining amounts shall be paid in full by the Lessee pursuant to the terms hereof.

If a Lease Default has occurred and is continuing, then all net proceeds of insurance resulting from the damage or destruction of the Project (in whole or in part) shall be applied to the prepayment of the outstanding principal of and interest on the Bond in accordance with the terms thereof.

Notwithstanding the foregoing, nor any other provision of this Lease, pursuant to Section 3.06 hereof, the obligations of the Lessee to make the rental payments required in Section 3.03 and 3.04 shall be absolute and unconditional regardless of damage or destruction by fire or other casualty until all payment obligations under the Financing Agreement have been satisfied.

SECTION 5.11 Condemnation

If no Lease Default shall have occurred and be continuing, then the following provisions shall apply in event of any taking by eminent domain of the Project (in whole or in part):

(a) In the event that title to, or the temporary use of, the Project or any part thereof shall be taken under the exercise of the power of eminent domain and as a result thereof, in the opinion of the Lessee, the Lessee is thereby prevented from carrying on its normal operations at the Project for a period of six consecutive months, so much (which may be all) of the net proceeds referable to such taking, including the amounts awarded to the Issuer and the amount awarded to the Lessee for the taking of all or any part of the leasehold estate of the Lessee in the Project created by this Lease Agreement, as shall be necessary to provide for full payment of the

payment obligations under the Financing Agreement shall be paid to the Lender and the excess of such net proceeds remaining (if any) shall be paid to the Lessee; provided, however, if the net proceeds referable to any such taking shall not be sufficient to provide for full payment of all amounts owed to the Lender under the Financing Agreement, any remaining amounts shall be paid in full by the Lessee pursuant to the terms hereof.

(b) If Section 5.11(a)(1) is inoperative, the Lessee shall be obligated to continue to pay the Basic Rent and the entire net proceeds hereinabove referred to shall, be paid to the Lender and applied in one or more of the following ways as shall be directed in writing by the Lessee:

(1) To the restoration of the remaining improvements located on the Project Site to substantially the same condition in which they existed prior to the exercise of the power of eminent domain;

(2) To the acquisition, by construction or otherwise, by the Issuer 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 Basic Rent payments other than that herein provided to the same extent as if such land or other improvements were specifically described herein and demised hereby, and which land or improvements shall be acquired by the Issuer subject to no liens or encumbrances.

(c) Any balance of such net proceeds remaining after the application thereof as provided in subsection (b) of this Section shall be applied to the redemption of the Bond in accordance with the terms thereof, or, if the payment obligations under the Financing Agreement have been paid in full, shall be paid to the Lessee; provided, however, if the net proceeds referable to any such taking shall not be sufficient to provide for full payment of all amounts owed to the Lender under the Financing Agreement, any remaining amounts shall be paid in full by the Lessee pursuant to the terms hereof.

(d) The Issuer shall cooperate fully with the Lessee in the handling and conduct of any prospective or pending condemnation proceeding with respect to the Project or any part thereof and shall, to the extent it may lawfully do so, permit the Lessee to litigate in any such proceeding in the name and behalf of the Issuer. In no event shall the Issuer settle, or consent to the settlement of, any prospective or pending condemnation proceeding without the prior written consent of the Lessee and the Lender.

(e) The Lessee shall be entitled to the net proceeds of any award or portion thereof made for damage to or taking of its own property not included in the Project, provided that any net proceeds resulting from the taking of all or any part of the leasehold estate of the Lessee in the Project created by this Lease Agreement shall be paid and applied in the manner provided in this Section 5.11.

If a Lease Default has occurred and is continuing, then all net proceeds of condemnation awards resulting from condemnation of the Project (in whole or in part) shall be applied to the

prepayment of the outstanding principal of and interest on the Bond in accordance with the terms thereof.

Notwithstanding the foregoing, nor any other provision of this Lease, pursuant to Section 3.06 hereof, the obligations of the Lessee to make the rental payments required in Section 3.03 and 3.04 shall be absolute and unconditional regardless of any taking by eminent domain until all payment obligations under the Financing Agreement have been satisfied.

ARTICLE 6

REPRESENTATIONS AND COVENANTS

SECTION 6.01 General Representations of Lessee

The Lessee makes the following representations and warranties as the basis for the undertakings on its part herein contained:

(a) It is a public corporation and instrumentality of the State of Alabama.

(b) It has the power to consummate the transactions contemplated by the Financing Documents to which it is a party.

(c) By proper action it has duly authorized the execution and delivery of the Financing Documents to which it is a party and the consummation of the transactions contemplated therein. When executed and delivered by the parties thereto, the Financing Documents to which it is a party will constitute valid and binding agreements of the Lessee and will be enforceable against the Lessee in accordance with their respective terms.

(d) No event has occurred and no condition exists which would constitute a Lease Default or which, with the passing of time or with the giving of notice or both, would constitute a Lease Default.

(e) This Lease Agreement and the Financing Agreement are legal, valid and binding obligations of the Lessee, enforceable in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization or other laws of general application relating to or affecting the enforcement of creditors' rights.

(f) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Lease Agreement or the other Financing Documents to which Lessee is a party or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Lease Agreement or the other Financing Documents to which Lessee is a party or any other transaction of Lessee which is similar hereto

or would materially and adversely affect any of the transactions contemplated by this Lease Agreement or the other Financing Documents to which Lessee is a party.

The Lessee covenants and agrees to operate or cause the operation of the Improvements as a "project" under Section 11-54-80 of the Code of Alabama 1975, as amended, until the principal of and the interest on the Bond shall have been paid in full.

SECTION 6.02 Representations of the Issuer

(a) The Issuer is a public corporation under the laws of the State of Alabama with lawful power and authority to (1) issue and deliver the Bond pursuant to the Financing Agreement for the purposes stated therein, (2) execute and deliver the Financing Documents to which it is a party, and (3) consummate the transactions contemplated by, and perform its obligations under, the Financing Documents to which it is a party.

(b) The Issuer has taken all necessary action to make the Financing Documents to which it is a party and the Bond a valid special obligation of the Issuer payable solely out of certain amounts payable hereunder, and when executed and delivered by the parties thereto, the Financing Documents to which it is a party and the Bond will constitute valid and binding agreements of the Issuer and will be enforceable against the Issuer in accordance with their respective terms.

(c) The officers of the Issuer executing the Bond, this Lease Agreement and the Financing Agreement and any related documents have been duly authorized to issue the Bond and to execute and deliver this Lease Agreement and the Financing Agreement and such related documents under the terms and provisions of a resolution of Issuer's governing body, or by other appropriate official action.

(d) The Bond, this Lease Agreement and the Financing Agreement are legal, valid and binding obligations of Issuer, enforceable in accordance with their respective terms, except to the extent limited by bankruptcy, reorganization, or other laws of general application relating to or affecting the enforcement of creditors' rights.

(e) The Issuer owns a fee simple interest in the Real Property, which is located wholly within the corporate limits of the City of Huntsville, Alabama.

(f) The Improvements will consist of those capital improvements described in Exhibit C.

SECTION 6.03 Further Assurances by Lessee and Issuer

(a) The Lessee will do, execute, acknowledge and deliver such further reasonable acts, conveyances, financing statements and assurances as the Issuer or the Lender shall require for accomplishing the purposes of the Financing Documents.

(b) The Lessee will cause this instrument, any amendments to this Lease Agreement and other instruments of further assurance, including financing statements, memorandum of lease and continuation statements, to be promptly recorded, registered and filed, and at all times to be kept recorded, registered and filed in such places as may be required by law fully to preserve and protect the rights of the Issuer to all property comprising the Improvements. The Issuer shall cooperate with the Lessee in connection with the foregoing.

SECTION 6.04 Inspection of Records

The Lessee will at any and all times, upon the prior written request of the Issuer or the Lender, permit the Issuer or the Lender by their representatives to inspect the Improvements and any books, records, reports and other papers of the Lessee relating to the Improvements, and to make copies therefrom, and will afford and procure a reasonable opportunity to make any such inspection, and the Lessee will furnish to the Issuer any and all information as the Issuer or the Lender may reasonably request with respect to the performance by the Lessee of its covenants in this Lease Agreement.

SECTION 6.05 Release of Issuer and Lender

The Lessee releases the Issuer and the Lender from and covenants and agrees that the Issuer and the Lender 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 Issuer and the Lender shall not incur any pecuniary liability by reason of the terms of this Lease Agreement or the undertakings required of the Issuer or the Lender hereunder, by reason of the issuance of the Bond, by reason of the execution of the Financing Agreement or by reason of the performance of any act requested of the Issuer or the Lender 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 Issuer or the Lender 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 the Issuer or the Lender arising out of the same, along with all costs and expenses incurred by the Issuer or the Lender in connection with any of the foregoing.

ARTICLE 7

EVENTS OF DEFAULT; REMEDIES

SECTION 7.01 Events of Default

Any one or more of the following shall constitute an event of default (a "Lease Default") under this Lease Agreement (whatever the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body):

(1) default in the payment of Basic Rent or Additional Rent when such Basic Rent or Additional Rent becomes due and payable; or

(2) default in the performance, or breach, of any covenant or warranty of the Lessee in this Lease Agreement (other than a covenant or warranty, a default in the performance or breach of which is elsewhere in this Section specifically dealt with), and the continuance of such default or breach for a period of 30 days unless additional time is reasonably required to cure such default or breach, so long as the Lessee is reasonably diligent in curing the same in which case such cure period shall be extended for a reasonable time thereafter after there has been given, by registered or certified mail, to the Lessee and the Lender by the Issuer a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a "notice of default" hereunder; or

(3) an Act of Bankruptcy of the Lessee; or

(4) the occurrence of an event of default, as therein defined, under any other Financing Document, and the expiration of the applicable grace period, if any, specified therein.

SECTION 7.02 Remedies on Default

If a Lease Default occurs and is continuing, the Issuer (or the Lender, as provided in Section 5.01) may exercise any of the following remedies:

(1) declare all installments of Basic Rent for the remainder of the term of this Lease Agreement to be immediately due and payable in an amount not to exceed the outstanding principal amount of the Bond, plus the interest accrued thereon to the date of such declaration;

(2) reenter the Project, without terminating this Lease Agreement, and, upon 60 days' prior written notice to the Lessee, relet the Improvements or any part thereof for the account of the Lessee, for such term (including a term extending beyond the term of this Lease Agreement) and at such rentals and upon such other terms and conditions, including the right to make alterations to the Improvements or any part thereof, as the Issuer may deem advisable, and such reentry and reletting of the Improvements shall not be construed as an election to terminate this Lease Agreement nor relieve the Lessee of its obligations to make payments required by this Lease Agreement and to perform and observe any of its other agreements and covenants under this Lease Agreement, all of which shall survive such reentry and reletting, and the Lessee shall continue to make all payments required by this Lease Agreement until the end of the term of this Lease Agreement, less the net proceeds, if any, of any reletting of the Improvements after deducting all of the Issuer's expenses in connection with such reletting, including, without limitation, all repossession costs, brokers' commissions, attorneys' fees, alteration costs and expenses of preparation for reletting;

(3) so long as the Bond is outstanding, terminate this Lease Agreement, exclude the Lessee from possession of the Improvements not earlier than 60 days after

such termination and, if the Issuer or the Lender elects so to do, lease the same for the account of the Issuer, holding the Lessee liable for all payments due under this Lease Agreement up to the date such lease is made for the account of the Issuer; and

(4) take whatever legal or equitable proceedings may appear necessary or desirable to collect the payments under this Lease Agreement then due, whether by declaration or otherwise, obtain exclusive possession of the Project, and/or to enforce any obligation or covenant or agreement of the Lessee under this Lease Agreement or by law.

SECTION 7.03 No Remedy Exclusive

No remedy herein conferred upon or reserved to the Issuer or the Lender is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall, to the extent permitted by law, be cumulative and shall be in addition to every other remedy given under this Lease Agreement or now or hereafter existing at law or in equity or by statute. 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.

SECTION 7.04 Agreement to Pay Attorneys' Fees and Expenses

If the Lessee should default under any of the provisions of this Lease Agreement and the Issuer or the Lender should employ attorneys or incur other expenses for the collection of payments due under this Lease Agreement or the enforcement of performance or observance of any agreement or covenant on the part of the Lessee herein contained, the Lessee will on demand therefor pay to the Issuer or the Lender (as the case may be) the reasonable fees and expenses of such attorneys and such other expenses so incurred.

SECTION 7.05 No Additional Waiver Implied by One Waiver

In the event any agreement contained in this Lease 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.

SECTION 7.06 Remedies Subject to Applicable Law

All rights, remedies and powers provided by this Article may be exercised only to the extent the exercise thereof does not violate any applicable provision of law in the premises, and all the provisions of this Article are intended to be subject to all applicable mandatory provisions of law which may be controlling in the premises and to be limited to the extent necessary so that they will not render this Lease Agreement invalid or unenforceable.

ARTICLE 8

OPTIONS

SECTION 8.01 Option to Terminate

The Lessee shall have the option to cancel or terminate this Lease Agreement at any time after the Bond has been fully paid, by giving the Issuer notice in writing of such termination. Such termination shall become effective 10 days after such notice is given.

SECTION 8.02 Option to Renew

The Lessee shall not have the right or option to renew the term of this Lease Agreement for an additional term without the consent of the Issuer.

SECTION 8.03 Option to Purchase Project

At such time as no Lease Default exists and all principal of and interest on the Bond is fully paid, the Lessee shall have the option to purchase the Project for a purchase price of \$100.00 at any time after the Bond has been fully paid. Such option may be exercised by the Lessee prior to the termination of this Lease Agreement and following the full payment of all principal of and interest on the Bond upon written notice to the Issuer. Such option shall be deemed automatically exercised on the date of termination of this Lease Agreement (provided the principal of and interest on the Bond is paid in full) unless the Lessee notifies the Issuer in writing that it does not intend to exercise such option. The closing for such purchase shall take place on (i) a Business Day designated by the Lessee that is not less than seven (7) days from the date of such notice, or the date of termination of this Lease Agreement, as the case may be, or (ii) such other date as shall be mutually acceptable to the Issuer and the Lessee.

SECTION 8.04 Conveyance on Exercise of Option to Purchase

Upon the exercise of any option to purchase granted herein, the Issuer will deliver to the Lessee a statutory warranty deed and/or bill of sale conveying to the Lessee the property with respect to which such option was exercised, as such property then exists, subject to the following: (i) all rights, if any, required to be reserved by the Issuer under the terms and provisions of the option being exercised by the Lessee; (ii) those liens and encumbrances, if any, to which title to said property was subject when conveyed to the Issuer; (iii) those liens and encumbrances created by the Lessee or to the creation or suffering of which the Lessee consented; and (iv) those liens and encumbrances resulting from the failure of the Lessee to perform or observe any of the agreements or covenants on its part contained in this Lease Agreement. All such conveyance documents shall be prepared at the expense of the Lessee.

ARTICLE 9

MISCELLANEOUS

SECTION 9.01 Issuer's Liabilities Limited

(a) The covenants and agreements contained in this Lease Agreement shall never constitute or give rise to a personal or pecuniary liability or charge against the general credit of the Issuer, and in the event of a breach of any such covenant or agreement, no personal or pecuniary liability or charge payable directly or indirectly from the general assets or revenues of the Issuer shall arise therefrom. Nothing contained in this Section, however, shall relieve the Issuer from the observance and performance of the covenants and agreements on its part contained herein.

(b) No recourse under or upon any covenant or agreement of this Lease Agreement shall be had against any past, present or future incorporator, officer or member of the governing body of the Issuer, or of any successor corporation, either directly or through the Issuer, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that this Lease Agreement is solely a corporate obligation, and that no personal liability whatever shall attach to, or is or shall be incurred by, any incorporator, officer or member of the governing body of the Issuer or any successor corporation, or any of them, under or by reason of the covenants or agreements contained in this Lease Agreement.

(c) The liability of the Issuer for the payment of any money due under any contract or purchase order entered into by it, or for any other costs incurred in connection with the acquisition, construction, installation or improvement of, or other work on, the Improvements shall be limited solely to (i) the available proceeds of the Bond, if and when issued for Project costs, (ii) any money made available to the Issuer for such purpose by the Lessee, and (iii) any revenues or other receipts derived by the Issuer from the Improvements, subject to prior encumbrances and in no event consisting of Additional Rent or payments respecting reimbursement of the Issuer.

SECTION 9.02 Corporate Existence of Issuer

The Issuer shall not consolidate with or merge into any other corporation or transfer its property substantially as an entirety, except as provided in the Financing Agreement.

SECTION 9.03 No Warranty

THE LESSEE IS LEASING THE PROJECT FROM THE ISSUER "AS IS", "WHERE IS" AND "WITH ALL FAULTS." THE ISSUER 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 9.04 Issuer and Lessee Representatives

Whenever under the provisions of this Lease Agreement the approval of the Issuer or the Lessee is required or the Issuer 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 Issuer by its Project Supervisor (Issuer), as appropriate, and for the Lessee by its Project Supervisor (Lessee).

SECTION 9.05 Notices

(a) Any request, demand, authorization, direction, notice, consent, or other document provided or permitted by this Lease Agreement to be made upon, given or furnished to, or filed with, the Issuer, the Lessee or the Lender must (except as otherwise expressly provided in this Lease Agreement) be in writing and be delivered by one of the following methods: (i) by personal delivery at the hand delivery address specified pursuant to Section 12.7 of the Financing Agreement, (ii) by first-class, registered or certified mail, postage prepaid, addressed as specified pursuant to Section 12.7 of the Financing Agreement, or (iii) if facsimile transmission facilities for such party are identified in Section 12.7 of the Financing Agreement or pursuant to a separate notice from such party, sent by facsimile transmission to the number specified in Section 12.7 of the Financing Agreement or in such notice. Any of such parties may change the address for receiving any such notice or other document by giving notice of the change to the other parties named in this Section.

(b) Any such notice or other document shall be deemed delivered when actually received by the party to whom directed (or, if such party is not an individual, to an officer, partner or other legal representative of the party) at the address or number specified pursuant to this Section, or, if sent by mail, 3 days after such notice or document is deposited in the United States mail, addressed as provided above.

SECTION 9.06 Successors and Assigns

Neither party may assign this Lease Agreement without the prior written consent of the other party. All covenants and agreements in this Lease Agreement by the Issuer or the Lessee shall bind their respective successors and assigns, whether so expressed or not.

SECTION 9.07 Benefits of Lease Agreement

Nothing in this Lease Agreement, express or implied, shall give to any person, other than the parties hereto and their successors hereunder, and the Lender, any benefit or any legal or equitable right, remedy or claim under this Lease Agreement.

SECTION 9.08 Complete Agreement

This Lease Agreement contains the complete agreement and understandings of the parties hereto. Neither party has made any representations or promises, except as contained herein, or in some further writings, signed by the party making such representation or promise. No waiver of

any breach of covenant herein shall be construed as a waiver of the covenant itself or any subsequent breach thereof.

SECTION 9.09 Amendments, Changes and Modifications

Except as provided in this Lease Agreement or the Financing Agreement, subsequent to the initial issuance of the Bond and prior to their payment in full, or provision for such payment having been made as provided in the Financing Agreement, this Lease Agreement may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Lender.

SECTION 9.10 Term of the Agreement

This Lease Agreement shall be in full force and effect from the date hereof and shall continue in effect as long as the Bond remains outstanding.

SECTION 9.11 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 9.12 Hazardous Materials

(a) For the purposes hereof, the term "Hazardous Materials" shall include, without limitation, hazardous or toxic substances, wastes, or materials, including oil and petroleum derivatives and products, asbestos, lead paint, radon, mercury containing light fixtures and polychlorinated biphenyls (PCBs) and PCB containing equipment and biohazardous waste, or medical waste.

(b) The Lessee covenants that, except as herein set forth, it will not generate, use, store or dispose of any Hazardous Materials in, on or from the Project Site. Notwithstanding any provision of this Lease to the contrary, the Issuer agrees that the Lessee may use household and commercial cleaners and chemicals to maintain the Project.

(c) If, at any time during the term of this Lease, Hazardous Materials shall be found in or on the Project Site, then the Lessee shall remove or remediate same to the extent required by all laws, statutes, ordinances, and regulations regarding Hazardous Materials (herein collectively, "Environmental Laws"), and in compliance with such Environmental Laws, and at the Lessee's sole cost and without an abatement of Basic Rent or other charges.

(d) The Lessee's obligations pursuant to this Article shall survive any expiration and/or termination of this Lease.

SECTION 9.13 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.

IN WITNESS WHEREOF, the Issuer and the Lessee have caused this instrument to be duly executed and their respective corporate seals to be hereunto affixed and attested.

**THE INDUSTRIAL DEVELOPMENT BOARD
OF THE CITY OF HUNTSVILLE**

By: _____
Chairman of its Board of Directors

[S E A L]

Attest: _____
Its Secretary

AUBURN UNIVERSITY

By: _____
Senior Vice President of Business and
Administration & Chief Financial Officer

Attest:

By: _____
Secretary of its Board of Trustees

STATE OF ALABAMA)
 :
MADISON COUNTY)

I, _____, a Notary Public in and for said County in said State, hereby certify that _____, whose name as Chairman of the Board of Directors of THE INDUSTRIAL DEVELOPMENT BOARD OF THE CITY OF HUNTSVILLE, a public corporation, 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 corporation.

Given under my hand this the ____ day of _____, 2024.

[NOTARIAL SEAL]

Notary Public

My Commission Expires:_____

STATE OF ALABAMA)
 :
LEE COUNTY)

I, _____, a Notary Public in and for said County in said State, hereby certify that Kelli D. Shomaker, whose name as Senior Vice President of Business and Administration & Chief Financial Officer of AUBURN UNIVERSITY, a public corporation and instrumentality of the State of Alabama, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of said instrument, she, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand this the _____ day of _____, ____.

[NOTARIAL SEAL]

Notary Public

My Commission Expires: _____

EXHIBIT A

Description of Real Property

EXHIBIT B

Description of Equipment

EXHIBIT C

Plans and Specifications



AUBURN
UNIVERSITY

FACILITIES MANAGEMENT
M E M O R A N D U M

TO: CHRISTOPHER B. ROBERTS, President
THROUGH: KELLI D. SHOMAKER, Senior V.P. Business and Administration and Chief Financial Officer
FROM: STEVEN TAYLOR, SENIOR V.P. RESEARCH AND ECONOMIC DEVELOPMENT
MARK STIRLING, Director of Real Estate
SUBJECT: JOINT PROPERTY AND FACILITIES COMMITTEE AND FINANCE COMMITTEE

**AUBURN UNIVERSITY APPLIED RESEARCH LABORATORY
HUNTSVILLE, ALABAMA. APPROVAL OF LEASE AGENTS, FINANCING
AND ADVANCE AGREEMENT, AND RELATED AGREEMENTS**

DATE: OCTOBER 30, 2024

I am writing to request that the following item be added to the Board of Trustees' agenda for consideration at the **November 15, 2024** meeting.

Proposal:

It is requested that the Lease and Finance Agreement with the Huntsville Industrial Development Board for a new Auburn University Applied Research Laboratory in Huntsville, Alabama be submitted to the Board of Trustees for approval through the joint Property and Facilities and Finance Committees.

Review and Consultation:

Auburn University's 2024 Strategic Plan outlines key goals and commitments designed to increase Auburn University's research-based educational programming. As indicated in the plan, Auburn's academic, research, outreach and extension activities continue to provide valuable resources to the state in the form of interdisciplinary activities and unique community partnerships.

In Spring of 2022 Auburn University purchased the Logixcore Facility in Cummings Research Park (CRP) in Huntsville, AL and opened the Auburn University Research and Innovation Campus (AURIC) in Huntsville. The following year the University created the Applied Research Institute (ARI), based out of AURIC, to further the strategic goal of doubling its research program. The Huntsville area provides key opportunities for Auburn University to expand due to the presence of the Redstone Arsenal, NASA, numerous Department of Defense agencies, and a multitude of private sector partners with research and development needs.

Since its creation, ARI has grown its research program in key areas such as advanced manufacturing for aviation and missile systems, design for additive manufacturing, Army Pathfinder program, and radiation hardening testing for spaceflight hardware, and this has led to the acquisition of research equipment with needs beyond what AURIC can provide. This equipment includes items such as a Big Area Additive Manufacturing (BAAAM) printer, an EOS M-400 metal 3D printer for rapid prototyping, and a cyclotron (planned purchase) for radiation hardening research, each of which have unique site, operational and security needs. With this growth, there is a need for additional research space and Auburn University is seeking a solution to meet this immediate need and the project schedules required by our sponsors, while also creating a phased approach to accommodate future research endeavors.

The City of Huntsville Industrial Development Board (the "Huntsville IDB") has actively worked with staff

to locate a site and develop a building to lease to AU for the Auburn University Applied Research Laboratory. University representatives have visited Huntsville over the past three months to evaluate potential sites and discuss the Huntsville IDB's plan to design, build, and lease a facility to Auburn University. The proposed site is located in Cummings Research Park, on Mark C. Smith Boulevard, on a 14.5-acre parcel roughly a mile from the AURIC facility.

Similar to facilities Auburn University has leased from the City of Auburn Industrial Development Board, The Huntsville IDB will finance and develop the new research facility on a parcel of real property owned by the Huntsville IDB (the "Project Site"). Under a Financing and Advance Agreement between Auburn University, the Huntsville IDB, and an affiliate of Regions Bank (the "Lender"), the Lender would advance of funds, up to approximately \$18.0 million (the "Loan") to the Huntsville IDB, to cover the costs of the Project Site and the costs of developing, constructing and equipping the new research facility (such facility, together with the Project Site, the "Project"). At all times the Project would be leased by the Huntsville IDB, as lessor, to Auburn University, as Lessee, under a Lease Agreement (the "Lease"). Per the Lease, there would be an unconditional obligation of Auburn University to make basic rental payments equal to maturing installments of principal and interest on the Loan owed to the Lender ("Basic Rent Payments"). As evidence of the obligation to pay principal and interest on the Loan, the Huntsville IDB would issue a limited obligation revenue bond to the Lender payable solely out of Basic Rent Payments. Auburn University would also be obligated for payment and performance of all other obligations respecting the Project, such as maintenance, operational costs, insurance costs, etc. At no time would the Huntsville IDB have any obligation to make payments on the Loan. The sole source of payment and collateral for the Loan would be Basic Rent Payments made by Auburn University under the Lease.

During the construction period, the Loan would bear interest at a variable rate. Following that construction period, the total of all advances (representing principal on the Loan) would be payable, along with interest calculated at a fixed rate, for a period of approximately ten (10) years. Such payments would be made on a monthly basis. At such time as all principal and interest on the Loan has been paid (*i.e.*, through Basic Rent Payments made by Auburn University under the Lease), then Auburn University would have the right to purchase the Project for nominal consideration (e.g., \$100.00).

Recommendation:

We request that the Board of Trustees of Auburn University authorize and empower Christopher B. Roberts, President, or such person as may be acting as President be and the same, to take such action as is necessary and desirable to complete the design, construction, and leasing of a suitable facility in Huntsville, Alabama for the Auburn University Applied Research Laboratory, including approval of the Lease, the Financing and Advance Agreement and all other documents and instruments in connection therewith. All documents consummating the Financing and Advance Agreement, the Lease and the other instruments and agreement shall be reviewed, as to form, by General Counsel for Auburn University.

Executive Committee

Chairperson Dumas reported that the single item presented to the Executive Committee was a list of proposed awards and namings. Chairperson Dumas moved for approval of the item. The motion was seconded by Mr. Pratt, and the resolutions were approved by a voice vote.

The following resolutions were approved:

EXECUTIVE COMMITTEE

RESOLUTION

NAMING THE INSTRUCTIONAL COMPUTER LABORATORY IN THE COLLEGE OF EDUCATION AS THE ELIZABETH GREGORY ST. JEAN INSTRUCTIONAL COMPUTER LABORATORY

November 15, 2024

WHEREAS, Elizabeth (Beth) Gregory St. Jean was born in Birmingham, Alabama and graduated with a Bachelor's degree in Elementary Education from Auburn University in 1970 and a Master's degree in Curriculum and Instruction from the University of Houston in 1973; and

WHEREAS, Beth has 30 years of classroom experience, specializing in gifted education, ESL, reading, social studies, and special education, she has been recognized with numerous awards and honors throughout her career, including Who's Who in American Education, the International Educator to Japan Award, and the World Finalist/Sponsor of the Odyssey of the Mind Creativity Team; and

WHEREAS, in retirement she served as the President of the Cobb-Marietta Retired Educator's Association, a reading coordinator, and co-authored a teacher's guide for Warner Books, Beth also served on the National Alumni Council for the Auburn University College of Education; and

WHEREAS, Beth has a passion for our natural resources and gardening, in 2011 she founded the Chattahoochee National Parks Conservancy, has served as the President of the Georgia Master Gardener's Association, and at the age of 74 received a Harrison Fellowship to attend the University of Virginia's Historic Landscape Institute in Charlottesville; and

WHEREAS, Beth exemplifies the Auburn Creed, professionally and personally, in that she believes "in education, which gives me the knowledge to work wisely and trains my mind and my hands to work skillfully".

NOW, THEREFORE, BE IT RESOLVED that the Instructional Computer Laboratory in the College of Education be named the Elizabeth Gregory St. Jean Instructional Computer Laboratory in recognition of her generous support of Auburn University and the College of Education.

EXECUTIVE COMMITTEE

RESOLUTION

NAMING THE INSTRUCTIONAL COUNSELING LABORATORY IN THE COLLEGE OF EDUCATION AS THE GLENDA FAYE EARWOOD INSTRUCTIONAL COUNSELING LABORATORY

November 15, 2024

WHEREAS, Dr. Glenda Earwood was a first generation college student from Birmingham, AL. She received her bachelor's degree and master's degree in education from Auburn University and her doctorate degree from Florida State University; and

WHEREAS, Dr. Earwood made significant contributions to higher education and student services through her dedicated career, including her tenure as Dean of Student Services at Southeast Missouri State University; and

WHEREAS, she served with distinction for over 18 years as the Executive Director of Alpha Lambda Delta Honor Society, becoming only the third person to hold this prestigious position in the society's 90-year history; and

WHEREAS, she played a key role in advocating for and effecting change in women's rights, contributing significantly to the advancement of gender equality; and

WHEREAS, Dr. Earwood dedicated 10 years of service on the Girl Scouts board, helping to shape the organization's policies and programs, she authored numerous publications, secured grants, and received awards and research recognition focused on students' perceptions, student affairs, and student satisfaction, thereby enriching the field of educational research; and

WHEREAS, she exemplifies the Auburn Creed, professionally and personally, in that, "I believe that this is a practical world and that I can count only on what I earn. Therefore, I believe in work, hard work. I believe in education, which gives me the knowledge to work wisely and trains my mind and my hands to work skillfully".

NOW, THEREFORE, BE IT RESOLVED that the Instructional Counseling Laboratory in the College of Education be named the Glenda Faye Earwood Instructional Laboratory in recognition of her generous support for Auburn University and the College of Education.

EXECUTIVE COMMITTEE

RESOLUTION

NAMING THE ACADEMIC AND RESEARCH FACILITY
FOR THE COLLEGE OF HUMAN SCIENCES AS THE
BARBARA DRUMMOND THORNE ACADEMIC AND RESEARCH FACILITY

November 15, 2024

WHEREAS, Auburn University and the College of Human Sciences have initiated a project to construct a facility to co-locate related disciplines from current buildings on campus, and provide a newly constructed home for operations that will also house classrooms, laboratories, studios and gallery space; and

WHEREAS, Barbara Drummond Thorne graduated from Auburn University in 1958 with a Bachelor of Science degree in Home Economics; and

WHEREAS, the study of home economics at Auburn University evolved from a program, to a school and ultimately into the College of Human Sciences, with nationally ranked and recognized programs in three departments, one school, and other programmatic areas of study and research; and

WHEREAS, Barbara reconnected with her alma mater after raising four children and became engaged with the College of Human Sciences, its Harris Early Learning Center and founding of the Women's Philanthropy Board among other areas of interest; and

WHEREAS, Barbara's daughters Beth Thorne Stukes, Rebecca (Becky) Thorne Carroll, and Barbara (Babs) Thorne Anderson followed their mother's engagement with the College of Human Sciences, in addition to active involvement across Auburn University; and

WHEREAS, Beth, Becky and Babs wish to honor their mother's legacy as an alumna of Auburn University and the program that evolved into the College of Human Sciences through a leadership gift to support the construction of a new academic and research facility.

NOW, THEREFORE, BE IT RESOLVED that the Academic and Research Facility for the College of Human Sciences be named the Barbara Drummond Thorne Academic and Research Facility in her honor and in recognition of her daughters' generous support of the College of Human Sciences and Auburn University.

EXECUTIVE COMMITTEE

RESOLUTION

NAMING THE STUDIO THEATRE MAIN ENTRANCE AT THE JAY AND SUSIE GOGUE PERFORMING ARTS CENTER AS THE ROSEMARY AND JOEY PIERSON STUDIO THEATRE MAIN ENTRANCE

November 15, 2024

WHEREAS, Joey Pierson graduated in 1986 from Auburn University with a Bachelor of Science in Business Administration-Accounting Concentration; and

WHEREAS, Upon graduating from Auburn, Joey joined Arthur Young (now Ernst & Young) as a staff accountant in the audit division where he spent almost 15 years practicing both audit and tax; and

WHEREAS, In 2001, Joey joined Tacala, LLC, the largest Taco Bell franchisee in the country as Chief Financial Officer. Backed by a private equity firm, he and his management team bought out Tacala's founders in 2012 with Joey serving as Co-CEO and CFO of the company. To date, Tacala has over 330 Taco Bell locations in the Southeast and Texas; and

WHEREAS, Rosemary moved to Auburn in 1999 and spent 10 years supporting Auburn Athletics as a coach's wife. With a heart for helping others, she is a devoted community volunteer and supports many philanthropic causes in Auburn and across the state; and

WHEREAS, Joey and Rosemary married in October 2021. Joey has a daughter and son, Abby and Nathan. Rosemary has four daughters, Bently, Dillan, Sydney (deceased), and Lucy Gran; and

WHEREAS, This generous gift is to celebrate Rosemary's deep love for the performing arts and its extraordinary impact on Auburn students and the community.

NOW, THEREFORE, BE IT RESOLVED that the name Rosemary and Joey Pierson shall be placed on the Studio Theatre Main Entrance at the Jay and Susie Gogue Performing Arts Center at Auburn University in recognition of their generous support of Auburn University and the performing arts.

EXECUTIVE COMMITTEE

RESOLUTION

NAMING THE BOX OFFICE
AT THE JAY AND SUSIE GOGUE PERFORMING ARTS CENTER AS
THE JIM AND SUSAN MCKEE BOX OFFICE

WHEREAS, James “Jim” McKee received a Bachelor of Science degree in Industrial Management from Auburn University while Susan McKee worked for the City of Auburn; and

WHEREAS, Jim embarked on a 41-year career with the Federal Reserve Bank of Atlanta, focusing on operations management, bank financial services, and payment technologies. In 2014, he retired as Senior Vice President; and

WHEREAS, Jim served on the Harbert College of Business Advisory Council from 2005 to 2014, and is active as an *Emeritus* member. Jim also participated as a mentor to students under the Harbert College of Business; and

WHEREAS, Jim and Susan are Life Members of the Auburn Alumni Association as well as members of the Foy Society, 1856 Society and the Harbert College of Business Shareholders’ Club; and

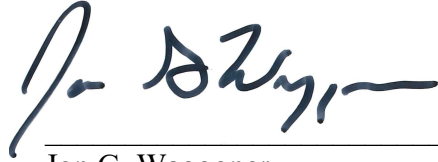
WHEREAS, Jim and Susan have been long-time supporters of Auburn University and have supported the Gogue Center since the original capital campaign; and

WHEREAS, Jim and Susan have been loyal patrons of the Gogue Center and continue to invest in its mission through their generous support of the Ham Amphitheatre, the new Studio Theatre, creating an endowment and their annual sponsorship.

NOW, THEREFORE, BE IT RESOLVED that the Box Office at the Jay and Susie Gogue Performing Arts Center be named the Jim and Susan McKee Box Office in recognition of their generous support of Auburn University and the performing arts.

President *Pro Tempore* Riggins then indicated that with there being no further items for review, the meeting was recessed at 10:15 a.m.

Respectfully Submitted,

A handwritten signature in dark ink, appearing to read "Jon G. Waggoner", written over a horizontal line.

Jon G. Waggoner
Secretary to the Board of Trustees