MINUTES OF THE AUGUST 23, 2022 MEETING
OF THE EXECUTIVE COMMITTEE
OF THE BOARD OF TRUSTEES OF THE UNIVERSITY OF ALABAMA

The Executive Committee of The Board of Trustees of The University of Alabama met by video conference in accordance with its guidelines on Wednesday, August 23, 2022. Trustee W. Stancil Starnes chaired the meeting. Mark D. Foley, Jr., served as Secretary.

On roll call, the following Committee members were present:

The Honorable W. Stancil Starnes, President pro tempore and Trustee from the Sixth Congressional District;

The Honorable W. Davis Malone III, Trustee from the Second Congressional District;

The Honorable Scott M. Phelps, Trustee from the Fourth Congressional District;

The Honorable Karen P. Brooks, Trustee from the Seventh Congressional District;

The Honorable Barbara Humphrey, Trustee from the Seventh Congressional District

The meeting was also attended by: Chancellor Finis E. St John IV; Senior Vice Chancellor for Finance and Administration Dr. Dana S. Keith; General Counsel and Senior Vice Chancellor Sid Trant; UAB President Ray L. Watts, M.D.; UAB Vice President of Advancement Tom Brannon; Deputy General Counsel and UAB Chief University Counsel John Daniel; Southern Research President and CEO Dr. Josh Carpenter; as well as support staff from the UA System Office, the three universities, and the UAB Health System.

Board Secretary Mark Foley explained why the Executive Committee was voting on this item rather than the full Board of Trustees. He explained that the item was not ripe for consideration at the last regularly scheduled meeting of the Board in June 2022. He also said it would be beneficial in this interest rate environment to lock the rate in before the next regularly scheduled meeting of the Board in September 2022.

Director of System Communications Lynn Cole noted Steve Diorio with WVUA was on the livestream and welcomed any other members of the media who were viewing the livestream.
Pro tem Starnes asked if there were any objections to the adoption of the agenda as presented. Hearing none, the agenda was unanimously adopted.

Pro tem Starnes asked if there were any objections to approving the February 14, 2022 minutes as distributed. Hearing none, the minutes were unanimously approved.

Pro tem Starnes said there was one item for consideration on today’s agenda: the consideration of a resolution approving execution of the term sheet and loan documents regarding a Regions Capital Advantage, Inc. loan to Southern Research Institute. Prior to opening the floor for discussion, Pro tem Starnes called for a motion to consider the item. On the motion of Trustee Phelps, seconded by Trustee Brooks, the Committee opened discussion on the resolutions.

Pro tem Starnes recognized Dr. Josh Carpenter to present the items.

Dr. Carpenter stated he was thankful for the help of the UAB and UA System personnel who helped him prepare for the meeting. Dr. Carpenter explained that Southern Research was requesting a five-year extension of debt that was first taken out in 2010 through a recovery fund bond financing with favorable terms through Regions Capital Advantage. After reviewing several options, the mutual recommendation of Southern Research’s Finance and Executive Committees was a five-year fixed note at 3.05% from Regions. Since the 2010 note had a maturity date of September 1, 2022, Dr. Carpenter explained, the five-year extension needed the Board’s consideration prior to the regularly scheduled September Board meeting. Dr. Carpenter asked for the Committee’s favorable consideration of the resolution.

Pro tem Starnes thanked Dr. Carpenter and asked if there were questions or comments. There were none.

Pro tem Starnes then called for a vote. All were in favor, and the resolution passed unanimously.

Approving Execution of the Term Sheet and Loan Documents Regarding Regions Capital Advantage, Inc. Loan to Southern Research Institute

RESOLUTION

WHEREAS, in 2010, the Cooperative District of the City of Birmingham - Southern Research Institute (the “District”) issued a tax-exempt Recovery Zone Facility Note in the original amount of $20 million for the benefit of Southern Research Institute (“SR”) in order to provide financing for the construction and installation of certain improvements at SR;
WHEREAS, the District leased the improvements to SR, and SR agreed to be responsible for the debt service on the Recovery Zone Note;

WHEREAS, the noteholder for the Recovery Zone Note is Regions Capital Advantage, Inc. ("Regions");

WHEREAS, the Recovery Zone Note has a maturity date of September 1, 2022, and the amount currently outstanding is approximately $10 million;

WHEREAS, SR wishes to renew this debt with Regions, which will require a new financing from Regions;

WHEREAS, Regions has provided SR a term sheet, a copy of which is attached as Exhibit A, reflecting a tax exempt, non-bank qualified loan for a term of five years at a fixed rate of 3.05% per annum (the "Loan"); and

WHEREAS, the Finance Committee and Executive Committee of SR have determined that it is in SR's best interest to enter into the Loan upon the terms reflected in the Term Sheet;

NOW, THEREFORE BE IT RESOLVED, that the Executive Committee of the Board of Trustees of the University of Alabama hereby approves the execution by SR of the Loan upon the terms reflected in the Term Sheet.

There being no further business to come before the Committee, the meeting was adjourned.

Mark D. Foley, Jr.
Secretary of the Board of Trustees
August 1st, 2022

David A. Rutledge, CFO
Southern Research
2000 Ninth Avenue South
Birmingham, AL 35205

Reference: Up to $10,000,000 Non-Bank Qualified Term Loan

Dear David:

Regions Capital Advantage, Inc. (the “Lender”) is pleased to furnish this Term Sheet (this “Term Sheet”) to Southern Research Institute (the “Borrower”). This Term Sheet contains an outline of suggested terms only, and it does not represent a commitment by Lender or create any obligation whatsoever on Lender’s part. It is for discussion purposes only, and the outlined terms have not received final approval by the appropriate lending authorities within Regions Capital Advantage, Inc.

Borrower: Southern Research Institute

Lender: Regions Capital Advantage, Inc.

Role of Lender: 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. With respect to this Term Sheet and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) 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 this Term Sheet, information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the Issuer and the Borrower have been informed that the Issuer and the Borrower should discuss this Term Sheet and any such other information, materials or communications with any and all internal and external advisors and experts that the Issuer and the Borrower, respectively, deem appropriate before acting on this Term Sheet or any such other information, materials or communications.

Privately Negotiated Loan: The Borrower acknowledges and agrees that the Lender is purchasing the Note in evidence of a privately negotiated loan and in that connection the Note shall not be (i) assigned a separate rating by any municipal securities rating agency, (ii) registered with The Depository Trust Company or any other securities depository, (iii) issued pursuant to any type of offering document or official statement or (iv) assigned a CUSIP number by the CUSIP Service Bureau.
<table>
<thead>
<tr>
<th><strong>Issuer:</strong></th>
<th>The Cooperative District of the City of Birmingham – Southern Research Institute (the “Issuer”).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purpose:</strong></td>
<td>The proceeds of the Loan will be used to refinance the Borrower’s Recovery Zone Facility Note plus the costs of issuance (collectively, the “Project”).</td>
</tr>
<tr>
<td><strong>Loan Amount:</strong></td>
<td>Up to $10,000,000.</td>
</tr>
<tr>
<td><strong>Structure:</strong></td>
<td>Non-Bank Qualified Tax-Exempt Term Loan evidenced by a promissory note, bond, or other debt instrument (the “Debt Instrument”)</td>
</tr>
<tr>
<td><strong>Interest Rate:</strong></td>
<td>The Loan is a Tax-Exempt, Non-Bank Qualified Loan. The Loan will bear interest at a fixed rate per annum for five (5) years equal to 3.05%. Upon notice from the Borrower by execution of this Term Sheet, the Lender will lock the rate for up to sixty (60) days in preparation of loan closing.</td>
</tr>
<tr>
<td><strong>Default Rate:</strong></td>
<td>The interest rate otherwise applicable to the Debt Instrument plus 3.00%.</td>
</tr>
<tr>
<td><strong>Repayment:</strong></td>
<td>Principal and Interest will be payable monthly (interest calculated on the basis of a 30 day month and a 360 day year) on the first (1st) calendar day of each month. Principal payments will be based on a fourteen (14) year amortization schedule. All payments are due on the same calendar day of the month.</td>
</tr>
<tr>
<td><strong>Maturity Date:</strong></td>
<td>Five (5) years from inception.</td>
</tr>
<tr>
<td><strong>Prepayment:</strong></td>
<td>The Borrower may prepay all or any part of the principal balance of this Note on five business days’ notice provided that, in addition to all principal, interest and costs owing at the time of prepayment, the Borrower pays a premium as follows: (a) 5% of the outstanding principal balance if paid in the first year, (b) 3% of the outstanding principal balance if paid in the second year, (c) 1% of the outstanding principal balance if paid in the third year, (d) 0% of the outstanding principal balance if paid in the fourth year, and (e) 0% of the outstanding principal balance if paid in the fifth year. In no event shall the prepayment premium be less than zero. The Borrower’s notice of its intent to prepay shall be irrevocable. The Borrower agrees that this prepayment premium is payable as liquidated in damages for the loss of bargain, and its payment shall not in any way reduce, affect, or impair any other obligation of the Borrower under this Note. All partial prepayments of principal shall be applied in the inverse order of maturities.</td>
</tr>
<tr>
<td><strong>Facility Fee:</strong></td>
<td>10 basis points.</td>
</tr>
</tbody>
</table>
Other Fees, Costs and Expenses: The Borrower will be responsible for all out-of-pocket fees, costs, and expenses of the Lender incurred in connection with the negotiation, execution, delivery, administration, and enforcement of the Loan Documents. In consideration of the undertakings of the Lender hereunder and recognizing that in connection herewith the Lender will be incurring such fees, costs and expenses, the Borrower agrees to reimburse the Lender for all such fees, costs, and expenses, regardless of whether, or to what extent, any of the transactions contemplated hereby are consummated.

Security: Pursuant to the Loan Documents, as security for all amounts payable to the Lender or any affiliate thereof in connection with the Loan, the Borrower will provide the following:

(i) REVENUE PLEDGE: a pledge of and a perfected first lien upon, all revenues of the Borrower.

(ii) REAL ESTATE NEGATIVE PLEDGE: an agreement not to create, incur, assume, permit, or suffer to exist, any Lien on, or sell, assign, or otherwise transfer, or otherwise permit the sale, assignment or transfer of any of the Borrower’s real property, now owned or hereafter acquired, or any improvements thereon, together with an agreement not to enter into, assume or permit to exist any such agreement with any third party with respect to any such property. Upon written request of the Borrower, Lender will consider in good faith the carve out of specific properties from the negative pledge agreement should it be a requirement in order for the Borrower to execute on a New Market Tax Credit transaction at a future point in time, and the parties shall work in good faith in memorializing all representations, terms, conditions, and related agreements respecting the same into definitive documents.

Determination of Taxability: Upon the occurrence of a Determination of Taxability of the Debt Instrument, the Borrower agrees to pay to the Lender a rate of interest from the date of Loan funding that would provide the Lender with an after-tax yield on the then outstanding principal amount of the Debt Instrument at least equal to the after-tax yield the Lender could have received if a Determination of Taxability had not occurred, but in no event higher than the statutory maximum interest rate permitted under Alabama law. Additionally, upon a Determination of Taxability of the Debt Instrument the Borrower shall pay Lender all interest, penalties, additions to federal income tax, costs, expenses, attorneys’ fees, and other losses which shall have been paid or are payable by the Lender or the holder of the Debt Instrument as a result of the failure to include interest on the Debt Instrument in the gross income of the holder for federal income tax purposes. A “Determination of Taxability” shall occur at such time as Lender or Borrower shall receive a determination in writing from the United States Treasury Department, the Internal Revenue Service or similar governmental entity that interest on the Debt Instrument is includable in gross income in the computation of federal income tax liability.
Increased Costs and Capital Adequacy:
The Lender shall have the right to require, in its sole discretion and at its sole option, additional payments by the Borrower in order to maintain the same after-tax yield on the Debt Instrument if the Lender determines in its sole discretion that the adoption or taking effect of, or the change (including by interpretation or application) of, any laws, regulations, rules, guidelines, directives or treaties (except for changes to the tax rate on the overall net income of the Lender), whether or not having the force of law, adversely affects the Lender's after-tax yield, regardless of the date adopted, enacted or issued.

Representations and Warranties:
Usual and customary for this type of financing.

Covenants:
Usual and customary for this type of financing, including but not limited to the following:

1. The Borrower shall deliver to the Lender each of the following, in form and substance satisfactory to the Lender:
   i. audited financial statements within 150 days of the end of each of the Borrower's fiscal years;
   ii. any other information that the Lender may reasonably request from time to time.

2. The Borrower shall achieve and observe certain financial covenants to include, without limitation, the following:
   i. Liquidity Ratio: The Borrower shall maintain a minimum ratio of unrestricted investments (unrestricted cash and marketable securities) to funded unsecured debt equal to 1.25:1.00;

Defaults:
Usual and customary for this type of financing. Each financing document respecting the Loan including, without limitation, lease agreement between Borrower and Issuer, negative pledge agreement from Borrower, credit or similar agreement between the Borrower and Lender, trust indenture, guaranty agreement from Borrower, the Debt Instrument, and any other similar documents or instruments respecting the Loan containing borrower covenants and agreements (collectively, the “Loan Documents”) shall be cross-defaulted. Likewise, any other loan facilities between Lender (or its affiliate) and Borrower (and also guarantor, if different, under the guaranty agreement) shall be cross defaulted with the Loan Documents.

Remedies:
The Lender shall have all of the rights and remedies set forth in the Loan Documents, and available at law and in equity, for the enforcement thereof.
### Legal Opinions:
Borrower shall cause to be rendered from counsel reasonably acceptable to Lender such opinions respecting the validity, enforceability and tax-exempt status of the Debt Instrument and other Loan Documents shall be reasonable or customary for a financing of this type. Such opinions shall include, without limitation, opinions that (i) the Debt Instrument is validly authorized, issued, executed and delivered, (ii) the pledge of Pledged Revenues to the Debt Instrument constitutes a valid and perfected first lien pledge of the Pledged Revenues in favor of the holder of the Debt Instrument, (iii) interest on the Debt Instrument is excludable from gross income for federal and State of Alabama income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax, and (iv) the Debt Instrument and other Loan Documents have been duly authorized and executed by the Borrower and all other parties thereto (except Lender) and are valid obligations thereof, enforceable against the Borrower and such parties in accordance with their terms.

### Transfer Provisions:
The Lender shall maintain the right to transfer and/or assign, in whole or in part, its rights hereunder, the Debt Instrument and/or the Loan, or, in either case, any interest therein, to any person or entity in its sole and absolute discretion. The Borrower may not assign its rights hereunder or under any of the Loan Documents to any person without the prior written consent of the Lender.

### Most Favored Lender:
If the Borrower has, or enters into, any agreement with another credit provider with respect to debt of the Borrower (or an amendment, modification or restatement of any such credit agreement) that includes financial covenants more restrictive than those provided to Lender in this agreement, then the financial covenants from such other credit agreement shall be deemed incorporated into this agreement, but only so long as the other agreement remains in effect.

### Banking Relationship:
Throughout the term of the Loan, the Borrower must maintain its primary depository and treasury management relationship with Regions Bank or an affiliate of Regions Bank, and the Borrower must afford Regions Bank and its affiliates the opportunity, as opportunities arise, to compete to provide banking services including, but not limited to, depository, treasury and merchant services.

### Disclaimer:
This Term Sheet describes some of the basic terms and conditions proposed to be included in the documents between the Lender and the Borrower. This Term Sheet does not purport to summarize all the conditions, covenants, representations, warranties, assignments, events of default, cross default, acceleration events, remedies or other provisions that may be contained in documents required to consummate this financing.

### US Patriot Act:
The Borrower represents and warrants to the Lender that 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. The Borrower further represents and warrants to the Lender that the Borrower 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.
Confidentiality: The Borrower acknowledges and agrees that this Term Sheet and the information set forth herein is confidential and proprietary, and further agrees to keep this Term Sheet and the information set forth herein CONFIDENTIAL. The Borrower shall not disclose this Term Sheet or any of its material terms to anyone, without the prior written consent of the Lender in each instance, except as such disclosure is required by law or regulation or as a result of any legal or administrative procedure.

Waiver of Jury Trial: To the extent permitted by applicable law, each of the Borrower and the Lender irrevocably and voluntarily waives any right it may have to a trial by jury with respect to any controversy or claim between the Borrower and the Lender, 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 Term Sheet, the Debt Instrument or any of the other Loan Documents. This provision is a material inducement for the Lender’s determination to make the Loan and for the parties to enter into the Loan Documents.

Governing Law: State of Alabama

Thank you for providing the Lender with this opportunity to be involved in a financial partnership with the Borrower. The Lender is willing to discuss the terms reflected herein through September 15, 2022. After such date, terms, conditions, and pricing may change based on prevailing market conditions and further discussion will be at Lender’s sole discretion. We are grateful for your consideration and remain available to promptly respond to any questions that you may have regarding this document. We look forward to hearing from you.
EXHIBIT A

In the event Borrower requests Lender to move forward with the approval process after discussion of the aforementioned terms and conditions contained in the Term Sheet, Borrower agrees to reimburse Lender on demand for all out of pocket expenses incurred by Lender if the transaction fails to close for any reason other than Lender’s decision not to approve the transaction. Such expenses shall include, but not be limited to, legal expenses incurred by Lender.

ACCEPTANCE:

Borrower does hereby agree to all provisions contained in Exhibit A.

SOUTHERN RESEARCH INSTITUTE:

By: ________________________________

Name: ________________________________

Title: ________________________________