**Application for Recognition of Exemption**

*Under Section 501(c)(3) of the Internal Revenue Code*

*Note: If exempt status is approved, this application will be open for public inspection.*

*Use the instructions to complete this application and for a definition of all bold items. For additional help, call IRS Exempt Organizations Customer Account Services toll-free at 1-877-829-5500. Visit our website at www.irs.gov for forms and publications. If the required information and documents are not submitted with payment of the appropriate user fee, the application may be returned to you.*

*Attach additional sheets to this application if you need more space to answer fully. Put your name and EIN on each sheet and identify each answer by Part and line number. Complete Parts I - XI of Form 1023 and submit only those Schedules (A through H) that apply to you.*

### Part I  Identification of Applicant

<table>
<thead>
<tr>
<th>1 Full name of organization (exactly as it appears in your organizing document)</th>
<th>2 c/o Name (if applicable)</th>
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</thead>
<tbody>
<tr>
<td>Auburn University Real Estate Foundation, Inc.</td>
<td>D.R. McGinnis</td>
</tr>
</tbody>
</table>

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<tr>
<th>3 Mailing address (Number and street) (see instructions)</th>
<th>4 Employer Identification Number (EIN)</th>
</tr>
</thead>
<tbody>
<tr>
<td>317 South College Street</td>
<td>56-2535892</td>
</tr>
<tr>
<td>City or town, state or country, and ZIP + 4</td>
<td>Month the annual accounting period ends (01 - 12)</td>
</tr>
<tr>
<td>Auburn, AL 36849-5170</td>
<td>September</td>
</tr>
</tbody>
</table>

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<tr>
<th>5 Phone: (334)844-1130</th>
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<tbody>
<tr>
<td>6 Fax: (optional)</td>
</tr>
</tbody>
</table>

| 7 Are you represented by an authorized representative, such as an attorney or accountant? If "Yes," provide the authorized representative's name, and the name and address of the authorized representative's firm. Include a completed Form 2848, Power of Attorney and Declaration of Representative, with your application if you would like us to communicate with your representative. |

| 8 Was a person who is not one of your officers, directors, trustees, employees, or an authorized representative listed in line 7, paid, or promised payment, to help plan, manage, or advise you about the structure or activities of your organization, or about your financial or tax matters? If "Yes," provide the person's name, the name and address of the person's firm, the amounts paid or promised to be paid, and describe that person's role. |

<table>
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<tr>
<th>9a Organization's website:</th>
</tr>
</thead>
<tbody>
<tr>
<td>b Organization's email: (optional)</td>
</tr>
</tbody>
</table>

| 10 Certain organizations are not required to file an information return (Form 990 or Form 990-EZ). If you are granted tax-exemption, are you claiming to be excused from filing Form 990 or Form 990-EZ? If "Yes," explain. See the instructions for a description of organizations not required to file Form 990 or Form 990-EZ. |

| 11 Date incorporated if a corporation, or formed, if other than a corporation. (MM/DD/YYYY) 07/05/2005 |

| 12 Were you formed under the laws of a foreign country? If "Yes," state the country. |

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For Paperwork Reduction Act Notice, see page 24 of the instructions.
Part III Organizational Structure

You must be a corporation (including a limited liability company), an unincorporated association, or a trust to be tax exempt. (See instructions.) DO NOT file this form unless you can check "Yes" on lines 1, 2, 3, or 4.

1 Are you a corporation? If "Yes," attach a copy of your articles of incorporation showing certification of filing with the appropriate state agency. Include copies of any amendments to your articles and be sure they also show state filing certification. □ Yes □ No

2 Are you a limited liability company (LLC)? If "Yes," attach a copy of your articles of organization showing certification of filing with the appropriate state agency. Also, if you adopted an operating agreement, attach a copy. Include copies of any amendments to your articles and be sure they show state filing certification. Refer to the instructions for circumstances when an LLC should not file its own exemption application. □ Yes □ No

3 Are you an unincorporated association? If "Yes," attach a copy of your articles of association, constitution, or other similar organizing document that is dated and includes at least two signatures. Include signed and dated copies of any amendments. □ Yes □ No

4a Are you a trust? If "Yes," attach a signed and dated copy of your trust agreement. Include signed and dated copies of any amendments. □ Yes □ No

b Have you been funded? If "No," explain how you are formed without anything of value placed in trust. □ Yes □ No

5 Have you adopted bylaws? If "Yes," attach a current copy showing date of adoption. If "No," explain how your officers, directors, or trustees are selected. □ Yes □ No

Part III Required Provisions in Your Organizing Document

The following questions are designed to ensure that when you file this application, your organizing document contains the required provisions to meet the organizational test under section 501(c)(3). Unless you can check the boxes in both lines 1 and 2, your organizing document does not meet the organizational test. DO NOT file this application until you have amended your organizing document. Submit your original and amended organizing documents (showing state filing certification if you are a corporation or an LLC) with your application.

1 Section 501(c)(3) requires that your organizing document state your exempt purpose(s), such as charitable, religious, educational, and/or scientific purposes. Check the box to confirm that your organizing document meets this requirement. Describe specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document. Refer to the instructions for exempt purpose language. Location of Purpose Clause (Page, Article, and Paragraph): Articles of Incorporation P.1, Article III(a)

2a Section 501(c)(3) requires that upon dissolution of your organization, your remaining assets must be used exclusively for exempt purposes, such as charitable, religious, educational, and/or scientific purposes. Check the box on line 2a to confirm that your organizing document meets this requirement by express provision for the distribution of assets upon dissolution. If you rely on state law for your dissolution provision, do not check the box on line 2a and go to line 2c.

2b If you checked the box on line 2a, specify the location of your dissolution clause (Page, Article, and Paragraph). Do not complete line 2c if you checked box 2a. Articles of Amendment P.1, Article III, (i)

2c See the instructions for information about the operation of state law in your particular state. Check this box if you rely on operation of state law for your dissolution provision and indicate the state:

Part IV Narrative Description of Your Activities

Using an attachment, describe your past, present, and planned activities in a narrative. If you believe that you have already provided some of this information in response to other parts of this application, you may summarize that information here and refer to the specific parts of the application for supporting details. You may also attach representative copies of newsletters, brochures, or similar documents for supporting details to this narrative. Remember that if this application is approved, it will be open for public inspection. Therefore, your narrative description of activities should be thorough and accurate. Refer to the instructions for information that must be included in your description.

Part V Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors

1a List the names, titles, and mailing addresses of all of your officers, directors, and trustees. For each person listed, state their total annual compensation, or proposed compensation, for all services to the organization, whether as an officer, employee, or other position. Use actual figures, if available. Enter "none" if no compensation is or will be paid. If additional space is needed, attach a separate sheet. Refer to the instructions for information on what to include as compensation.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Mailing address</th>
<th>Compensation amount (annual/actual or estimated)</th>
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<tbody>
<tr>
<td>Gordon Sherman</td>
<td>Chairman of the Board/Director</td>
<td>1350 N. Park Place, Ste. 125</td>
<td>0.00</td>
</tr>
<tr>
<td>William T. Heard</td>
<td>Vice Chairman of Board/Director</td>
<td>200 Brookstone Ctr, Pkwy, Ste 205</td>
<td>0.00</td>
</tr>
<tr>
<td>B. Phil Richardson</td>
<td>Director</td>
<td>3241 Warrento Road</td>
<td>0.00</td>
</tr>
<tr>
<td>D.R. McGinnis</td>
<td>President</td>
<td>317 South College Street</td>
<td>0.00</td>
</tr>
<tr>
<td>Nancy Davis</td>
<td>Director/Secretary</td>
<td>324 East Magnolia Avenue</td>
<td>0.00</td>
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Form 1023 (Rev. 10-2004)
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<thead>
<tr>
<th>NAME</th>
<th>TITLE</th>
<th>MAILING ADDRESS</th>
<th>COMPENSATION</th>
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<tbody>
<tr>
<td>Rhett Riley</td>
<td>Director/Treasurer</td>
<td>575 Cross Creek Road Auburn, AL 36830</td>
<td>0.00</td>
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<td></td>
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<td>Mr. Riley will be paid a consulting fee from the Auburn University Foundation for his investigation services relating to real estate donated to the Auburn University Real Estate Foundation, Inc. (Hereinafter referred to as “AUREF”). In the past 12 years, Mr. Riley has performed these services for the AUF and his fee is $320 per day (a copy of his letter agreement is enclosed as Exhibit VI.(a)).</td>
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<tr>
<td>Charles W. Bruce</td>
<td>Assistant Treasurer</td>
<td>317 South College Street Auburn University, AL 36849-5170</td>
<td>0.00</td>
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**Part V** Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

**b** List the names, titles, and mailing addresses of each of your five highest compensated employees who receive or will receive compensation of more than $50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation. Do not include officers, directors, or trustees listed in line 1a.

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**c** List the names, names of businesses, and mailing addresses of your five highest compensated independent contractors that receive or will receive compensation of more than $50,000 per year. Use the actual figure, if available. Refer to the instructions for information on what to include as compensation.

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The following "Yes" or "No" questions relate to past, present, or planned relationships, transactions, or agreements with your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, and 1c.

**2a** Are any of your officers, directors, or trustees related to each other through family or business relationships? If "Yes," identify the individuals and explain the relationship.  

- **Yes**  
- **No**

**b** Do you have a business relationship with any of your officers, directors, or trustees other than through their position as an officer, director, or trustee? If "Yes," identify the individuals and describe the business relationship with each of your officers, directors, or trustees.

- **Yes**  
- **No**

**c** Are any of your officers, directors, or trustees related to your highest compensated employees or highest compensated independent contractors listed on lines 1b or 1c through family or business relationships? If "Yes," identify the individuals and explain the relationship.

- **Yes**  
- **No**

**3a** For each of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c, attach a list showing their name, qualifications, average hours worked, and duties.

- **Yes**  
- **No**

**b** Do any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, or 1c receive compensation from any other organizations, whether tax exempt or taxable, that are related to you through common control? If "Yes," identify the individuals, explain the relationship between you and the other organization, and describe the compensation arrangement.

- **Yes**  
- **No**

**4** In establishing the compensation for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed on lines 1a, 1b, and 1c, the following practices are recommended, although they are not required to obtain exemption. Answer "Yes" to all the practices you use.

**a** Do you or will the individuals that approve compensation arrangements follow a conflict of interest policy?

- **Yes**  
- **No**

**b** Do you or will you approve compensation arrangements in advance of paying compensation?

- **Yes**  
- **No**

**c** Do you or will you document in writing the date and terms of approved compensation arrangements?

- **Yes**  
- **No**
**Part V** Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

**d** Do you or will you record in writing the decision made by each individual who decided or voted on compensation arrangements?

**e** Do you or will you approve compensation arrangements based on information about compensation paid by similarly situated taxable or tax-exempt organizations for similar services, current compensation surveys compiled by independent firms, or actual written offers from similarly situated organizations? Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.

**f** Do you or will you record in writing both the information on which you relied to base your decision and its source?

**g** If you answered “No” to any item on lines 4a through 4i, describe how you set compensation that is reasonable for your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c.

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**5a** Have you adopted a conflict of interest policy consistent with the sample conflict of interest policy in Appendix A to the instructions? If “Yes,” provide a copy of the policy and explain how the policy has been adopted, such as by resolution of your governing board. If “No,” answer lines 5b and 5c.

**b** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you for setting their own compensation?

**c** What procedures will you follow to assure that persons who have a conflict of interest will not have influence over you regarding business deals with themselves?

**Note:** A conflict of interest policy is recommended though it is not required to obtain exemption. Hospitals, see Schedule C, Section I, line 14.

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**6a** Do you or will you compensate any of your officers, directors, trustees, highest compensated employees, and highest compensated independent contractors listed in lines 1a, 1b, or 1c through non-fixed payments, such as discretionary bonuses or revenue-based payments? If “Yes,” describe all non-fixed compensation arrangements, including how the amounts are determined, who is eligible for such arrangements, whether you place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.

**b** Do you or will you compensate any of your employees, other than your officers, directors, trustees, or your five highest compensated employees who receive or will receive compensation of more than $50,000 per year, through non-fixed payments, such as discretionary bonuses or revenue-based payments? If “Yes,” describe all non-fixed compensation arrangements, including how the amounts are or will be determined, who is or will be eligible for such arrangements, whether you place or will place a limitation on total compensation, and how you determine or will determine that you pay no more than reasonable compensation for services. Refer to the instructions for Part V, lines 1a, 1b, and 1c, for information on what to include as compensation.

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**7a** Do you or will you purchase any goods, services, or assets from any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If “Yes,” describe any such purchase that you made or intend to make, from whom you made or will make such purchases, how the terms are or will be negotiated at arm’s length, and explain how you determine or will determine that you pay no more than fair market value. Attach copies of any written contracts or other agreements relating to such purchases.

**b** Do you or will you sell any goods, services, or assets to any of your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If “Yes,” describe any such sales that you made or intend to make, to whom you made or will make such sales, how the terms are or will be negotiated at arm’s length, and explain how you determine or will determine you are or will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such sales.

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**8a** Do you or will you have any leases, contracts, loans, or other agreements with your officers, directors, trustees, highest compensated employees, or highest compensated independent contractors listed in lines 1a, 1b, or 1c? If “Yes,” provide the information requested in lines 8b through 8f.

**b** Describe any written or oral arrangements that you made or intend to make.

**c** Identify with whom you have or will have such arrangements.

**d** Explain how the terms are or will be negotiated at arm’s length.

**e** Explain how you determine you pay no more than fair market value or you are paid at least fair market value.

**f** Attach copies of any signed leases, contracts, loans, or other agreements relating to such arrangements.

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**9a** Do you or will you have any leases, contracts, loans, or other agreements with any organization in which any of your officers, directors, or trustees are also officers, directors, or trustees, or in which any individual officer, director, or trustee owns more than a 35% interest? If “Yes,” provide the information requested in lines 9b through 9f.
Part V: Compensation and Other Financial Arrangements With Your Officers, Directors, Trustees, Employees, and Independent Contractors (Continued)

b Describe any written or oral arrangements you made or intend to make.

c Identify with whom you have or will have such arrangements.

d Explain how the terms are or will be negotiated at arm’s length.

e Explain how you determine or will determine you pay no more than fair market value or that you are paid at least fair market value.

f Attach a copy of any signed leases, contracts, loans, or other agreements relating to such arrangements.

Part VI: Your Members and Other Individuals and Organizations That Receive Benefits From You

The following “Yes” or “No” questions relate to goods, services, and funds you provide to individuals and organizations as part of your activities. Your answers should pertain to past, present, and planned activities. (See instructions.)

1a In carrying out your exempt purposes, do you provide goods, services, or funds to individuals? If “Yes,” describe each program that provides goods, services, or funds to individuals.

☐ Yes ☑ No

1b In carrying out your exempt purposes, do you provide goods, services, or funds to organizations? If “Yes,” describe each program that provides goods, services, or funds to organizations.

☒ Yes ☐ No

2 Do any of your programs limit the provision of goods, services, or funds to a specific individual or group of specific individuals? For example, answer “Yes,” if goods, services, or funds are provided only for a particular individual, your members, individuals who work for a particular employer, or graduates of a particular school. If “Yes,” explain the limitation and how recipients are selected for each program.

☒ Yes ☐ No

3 Do any individuals who receive goods, services, or funds through your programs have a family or business relationship with any officer, director, trustee, or with any of your highest compensated employees or highest compensated independent contractors listed in Part V, lines 1a, 1b, and 1c? If “Yes,” explain how these related individuals are eligible for goods, services, or funds.

☐ Yes ☑ No

Part VII: Your History

The following “Yes” or “No” questions relate to your history. (See instructions.)

1 Are you a successor to another organization? Answer “Yes,” if you have taken over 25% or more of the fair market value of the net assets of another organization; or you were established upon the conversion of an organization from for-profit to non-profit status. If “Yes,” complete Schedule G.

☑ Yes ☐ No

2 Are you submitting this application more than 27 months after the end of the month in which you were legally formed? If “Yes,” complete Schedule E.

☒ Yes ☐ No

Part VIII: Your Specific Activities

The following “Yes” or “No” questions relate to specific activities that you may conduct. Check the appropriate box. Your answers should pertain to past, present, and planned activities. (See instructions.)

1 Do you support or oppose candidates in political campaigns in any way? If “Yes,” explain.

☐ Yes ☑ No

2a Do you attempt to influence legislation? If “Yes,” explain how you attempt to influence legislation and complete line 2b. If “No,” go to line 3a.

☒ Yes ☐ No

2b Have you made or are you making an election to have your legislative activities measured by expenditures by filing Form 5768? If “Yes,” attach a copy of the Form 5768 that was already filed or attach a completed Form 5768 that you are filing with this application. If “No,” describe whether your attempts to influence legislation are a substantial part of your activities. Include the time and money spent on your attempts to influence legislation as compared to your total activities.

☑ Yes ☐ No

3a Do you or will you operate bingo or gaming activities? If “Yes,” describe who conducts them, and list all revenue received or expected to be received and expenses paid or expected to be paid in operating these activities. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data.

☑ Yes ☐ No

b Do you or will you enter into contracts or other agreements with individuals or organizations to conduct bingo or gaming for you? If “Yes,” describe any written or oral arrangements that you made or intend to make, identify with whom you have or will have such arrangements, explain how the terms are or will be negotiated at arm’s length, and explain how you determine or will determine you pay no more than fair market value or you will be paid at least fair market value. Attach copies of any written contracts or other agreements relating to such arrangements.

☑ Yes ☐ No

c List the states and local jurisdictions, including Indian Reservations, in which you conduct or will conduct gaming or bingo.
### Part VIII  Your Specific Activities (Continued)

**4a** Do you or will you undertake fundraising? If "Yes," check all the fundraising programs you do or will conduct. (See instructions.)

- [ ] mail solicitations
- [ ] email solicitations
- [ ] personal solicitations
- [ ] vehicle, boat, plane, or similar donations
- [ ] foundation grant solicitations

- [ ] phone solicitations
- [ ] accept donations on your website
- [ ] receive donations from another organization's website
- [ ] government grant solicitations
- [ ] Other

Attach a description of each fundraising program.

**b** Do you or will you have written or oral contracts with any individuals or organizations to raise funds for you? If "Yes," describe these activities. Include all revenue and expenses from these activities and state who conducts them. Revenue and expenses should be provided for the time periods specified in Part IX, Financial Data. Also, attach a copy of any contracts or agreements.

- [ ] Yes
- [ ] No

**c** Do you or will you engage in fundraising activities for other organizations? If "Yes," describe these arrangements. Include a description of the organizations for which you raise funds and attach copies of all contracts or agreements.

- [ ] Yes
- [ ] No

**d** List all states and local jurisdictions in which you conduct fundraising. For each state or local jurisdiction listed, specify whether you fundraise for your own organization, you fundraise for another organization, or another organization fundraises for you.

**e** Do you or will you maintain separate accounts for any contributor under which the contributor has the right to advise on the use or distribution of funds? Answer "Yes" if the donor may provide advice on the types of investments, distributions from the types of investments, or the distribution from the donor's contribution account. If "Yes," describe this program, including the type of advice that may be provided and submit copies of any written materials provided to donors.

- [ ] Yes
- [ ] No

### 5 Are you affiliated with a governmental unit? If "Yes," explain.

- [ ] Yes
- [ ] No

### 6a Do you or will you engage in economic development? If "Yes," describe your program.

- [ ] Yes
- [ ] No

**b** Describe in full who benefits from your economic development activities and how the activities promote exempt purposes.

### 7a Do or will persons other than your employees or volunteers develop your facilities? If "Yes," describe each facility, the role of the developer, and any business or family relationship(s) between the developer and your officers, directors, or trustees.

- [ ] Yes
- [ ] No

**b** Do or will persons other than your employees or volunteers manage your activities or facilities? If "Yes," describe each activity and facility, the role of the manager, and any business or family relationship(s) between the manager and your officers, directors, or trustees.

- [ ] Yes
- [ ] No

**c** If there is a business or family relationship between any manager or developer and your officers, directors, or trustees, identify the individuals, explain the relationship, describe how contracts are negotiated at arm's length so that you pay no more than fair market value, and submit a copy of any contracts or other agreements.

### 8 Do you or will you enter into joint ventures, including partnerships or limited liability companies treated as partnerships, in which you share profits and losses with partners other than section 501(c)(3) organizations? If "Yes," describe the activities of these joint ventures in which you participate.

- [ ] Yes
- [ ] No

### 9a Are you applying for exemption as a childcare organization under section 501(k)? If "Yes," answer lines 9b through 9d. If "No," go to line 10.

- [ ] Yes
- [ ] No

**b** Do you provide child care so that parents or caretakers of children you care for can be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k).

- [ ] Yes
- [ ] No

**c** Of the children for whom you provide child care, are 85% or more of them cared for by you to enable their parents or caretakers to be gainfully employed (see instructions)? If "No," explain how you qualify as a childcare organization described in section 501(k).

- [ ] Yes
- [ ] No

**d** Are your services available to the general public? If "No," describe the specific group of people for whom your activities are available. Also, see the instructions and explain how you qualify as a childcare organization described in section 501(k).

- [ ] Yes
- [ ] No

### 10 Do you or will you publish, own, or have rights in music, literature, tapes, artworks, choreography, scientific discoveries, or other intellectual property? If "Yes," explain. Describe who owns or will own any copyrights, patents, or trademarks, whether fees are or will be charged, how the fees are determined, and how any items are or will be produced, distributed, and marketed.

- [ ] Yes
- [ ] No
Part VIII Your Specific Activities (Continued)

11 Do you or will you accept contributions of real property; conservation easements; closely held securities; intellectual property such as patents, trademarks, and copyrights; works of music or art; licenses; royalties; automobiles, boats, planes, or other vehicles; or collectibles of any type? If "Yes," describe each type of contribution, any conditions imposed by the donor on the contribution, and any agreements with the donor regarding the contribution. Policies attached as Exhibit VIII II.

   ☒ Yes ☐ No

12a Do you or will you operate in a foreign country or countries? If "Yes," answer lines 12b through 12d. If "No," go to line 13a.

   ☐ Yes ☒ No

b Name the foreign countries and regions within the countries which you operate.

c Describe your operations in each country and region in which you operate.

d Describe how your operations in each country and region further your exempt purposes.

13a Do you or will you make grants, loans, or other distributions to organization(s)? If "Yes," answer lines 13b through 13g. If "No," go to line 14a.

   ☒ Yes ☐ No

b Describe how your grants, loans, or other distributions to organizations further your exempt purposes.

c Do you have written contracts with each of these organizations? If "Yes," attach a copy of each contract.

   ☐ Yes ☒ No

d Identify each recipient organization and any relationship between you and the recipient organization.

e Describe the records you keep with respect to the grants, loans, or other distributions you make.

f Describe your selection process, including whether you do any of the following:

   (i) Do you require an application form? If "Yes," attach a copy of the form.

   ☒ Yes ☐ No

   (ii) Do you require a grant proposal? If "Yes," describe whether the grant proposal specifies your responsibilities and those of the grantee, obligates the grantee to use the grant funds only for the purposes for which the grant was made, provides for periodic written reports concerning the use of grant funds, requires a final written report and an accounting of how grant funds were used, and acknowledges your authority to withhold and/or recover grant funds in case such funds are, or appear to be, misused.

   ☒ Yes ☐ No

   ☒ Yes ☐ No

   ☐ Yes ☐ No

   Describe your procedures for oversight of distributions that assure you the resources are used to further your exempt purposes, including whether you require periodic and final reports on the use of resources.

14a Do you or will you make grants, loans, or other distributions to foreign organizations? If "Yes," answer lines 14b through 14f. If "No," go to line 15.

   ☐ Yes ☐ No

b Provide the name of each foreign organization, the country and regions within a country in which each foreign organization operates, and describe any relationship you have with each foreign organization.

c Does any foreign organization listed in line 14b accept contributions earmarked for a specific country or specific organization? If "Yes," list all earmarked organizations or countries.

   ☐ Yes ☐ No

d Do your contributors know that you have ultimate authority to use contributions made to you at your discretion for purposes consistent with your exempt purposes? If "Yes," describe how you relay this information to contributors.

   ☐ Yes ☐ No

e Do you or will you make pre-grant inquiries about the recipient organization? If "Yes," describe these inquiries, including whether you inquire about the recipient's financial status, its tax-exempt status under the Internal Revenue Code, its ability to accomplish the purpose for which the resources are provided, and other relevant information.

   ☐ Yes ☐ No

f Do you or will you use any additional procedures to ensure that your distributions to foreign organizations are used in furtherance of your exempt purposes? If "Yes," describe these procedures, including site visits by your employees or compliance checks by impartial experts, to verify that grant funds are being used appropriately.
### Part VIII  Your Specific Activities (Continued)

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>15  Do you have a close connection with any organizations? If “Yes,” explain.</td>
<td>✗</td>
<td></td>
</tr>
<tr>
<td>16  Are you applying for exemption as a cooperative hospital service organization under section 501(e)? If “Yes,” explain.</td>
<td>☐</td>
<td>✗</td>
</tr>
<tr>
<td>17  Are you applying for exemption as a cooperative service organization of operating educational organizations under section 501(f)? If “Yes,” explain.</td>
<td>☐</td>
<td>✗</td>
</tr>
<tr>
<td>18  Are you applying for exemption as a charitable risk pool under section 501(n)? If “Yes,” explain.</td>
<td>☐</td>
<td>✗</td>
</tr>
<tr>
<td>19  Do you or will you operate a school? If “Yes,” complete Schedule B. Answer “Yes,” whether you operate a school as your main function or as a secondary activity.</td>
<td>☐</td>
<td>✗</td>
</tr>
<tr>
<td>20  Is your main function to provide hospital or medical care? If “Yes,” complete Schedule C.</td>
<td>☐</td>
<td>✗</td>
</tr>
<tr>
<td>21  Do you or will you provide low-income housing or housing for the elderly or handicapped? If “Yes,” complete Schedule F.</td>
<td>☐</td>
<td>✗</td>
</tr>
<tr>
<td>22  Do you or will you provide scholarships, fellowships, educational loans, or other educational grants to individuals, including grants for travel, study, or other similar purposes? If “Yes,” complete Schedule H.</td>
<td>☐</td>
<td>✗</td>
</tr>
</tbody>
</table>

**Note:** Private foundations may use Schedule H to request advance approval of individual grant procedures.
### A. Statement of Revenues and Expenses

<table>
<thead>
<tr>
<th>Type of revenue or expense</th>
<th>Current tax year</th>
<th>3 prior tax years or 2 succeeding tax years</th>
<th>(e) Provide Total for (a) through (d)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a) From July 05</td>
<td>(b) From Oct. 06</td>
<td>(c) From Oct. 06</td>
</tr>
<tr>
<td>1 Gifts, grants, and contributions received</td>
<td>0.00</td>
<td>10,000.00</td>
<td>10,000.00</td>
</tr>
<tr>
<td>2 Membership fees received</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>3 Gross investment income</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>4 Net unrelated business income</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>5 Taxes levied for your benefit</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>6 Value of services or facilities furnished by a governmental unit without charge (not including the value of services generally furnished to public without charge)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>7 Any revenue not otherwise listed above or in lines 9–12 below (attach an itemized list)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>8 Total of lines 1 through 7</td>
<td>0.00</td>
<td>10,000.00</td>
<td>10,000.00</td>
</tr>
<tr>
<td>9 Gross receipts from admissions, merchandise sold or services performed, or furnishing of facilities in any activity that is related to your exempt purposes (attach itemized list)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>10 Total of lines 8 and 9</td>
<td>0.00</td>
<td>10,000.00</td>
<td>10,000.00</td>
</tr>
<tr>
<td>11 Net gain or loss on sale of capital assets (attach schedule and see instructions)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>12 Unusual grants</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>13 Total Revenue Add lines 10 through 12</td>
<td>0.00</td>
<td>10,000.00</td>
<td>10,000.00</td>
</tr>
<tr>
<td>14 Fundraising expenses</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>15 Contributions, gifts, grants, and similar amounts paid out (attach an itemized list)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>16 Disbursements to or for the benefit of members (attach an itemized list)</td>
<td>0.00</td>
<td>10,000.00</td>
<td>10,000.00</td>
</tr>
<tr>
<td>17 Compensation of officers, directors, and trustees</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>18 Other salaries and wages</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>19 Interest expense</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>20 Occupancy (rent, utilities, etc.)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>21 Depreciation and depletion</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>22 Professional fees</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>23 Any expense not otherwise classified, such as program services (attach itemized list)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>24 Total Expenses Add lines 14 through 23</td>
<td>0.00</td>
<td>10,000.00</td>
<td>10,000.00</td>
</tr>
</tbody>
</table>
### Part IX: Financial Data (Continued)

#### 8. Balance Sheet (for your most recently completed tax year)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Cash</td>
<td>1</td>
</tr>
<tr>
<td>2 Accounts receivable, net</td>
<td>2</td>
</tr>
<tr>
<td>3 Inventories</td>
<td>3</td>
</tr>
<tr>
<td>4 Bonds and notes receivable (attach an itemized list)</td>
<td>4</td>
</tr>
<tr>
<td>5 Corporate stocks (attach an itemized list)</td>
<td>5</td>
</tr>
<tr>
<td>6 Loans receivable (attach an itemized list)</td>
<td>6</td>
</tr>
<tr>
<td>7 Other investments (attach an itemized list)</td>
<td>7</td>
</tr>
<tr>
<td>8 Depreciable and depletiable assets (attach an itemized list)</td>
<td>8</td>
</tr>
<tr>
<td>9 Land</td>
<td>9</td>
</tr>
<tr>
<td>10 Other assets (attach an itemized list)</td>
<td>10</td>
</tr>
<tr>
<td><strong>Total Assets (add lines 1 through 10)</strong></td>
<td><strong>11</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Liabilities</th>
<th>Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Accounts payable</td>
<td>12</td>
</tr>
<tr>
<td>13 Contributions, gifts, grants, etc. payable</td>
<td>13</td>
</tr>
<tr>
<td>14 Mortgages and notes payable (attach an itemized list)</td>
<td>14</td>
</tr>
<tr>
<td>15 Other liabilities (attach an itemized list)</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total Liabilities (add lines 12 through 15)</strong></td>
<td><strong>16</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances or Net Assets</th>
<th>Year End</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 Total fund balances or net assets</td>
<td>17</td>
</tr>
<tr>
<td>18 Total Liabilities and Fund Balances or Net Assets (add lines 16 and 17)</td>
<td>18</td>
</tr>
</tbody>
</table>

19 Have there been any substantial changes in your assets or liabilities since the end of the period shown above? If "Yes," explain. □ Yes □ No

#### Part X: Public Charity Status

Part X is designed to classify you as an organization that is either a **private foundation** or a **public charity**. Public charity status is a more favorable tax status than private foundation status. If you are a private foundation, Part X is designed to further determine whether you are a **private operating foundation**. (See instructions.)

1a Are you a private foundation? If "Yes," go to line 1b. If "No," go to line 5 and proceed as instructed. □ Yes □ No

b As a private foundation, section 508(e) requires special provisions in your organizing document in addition to those that apply to all organizations described in section 501(c)(3). Check the box to confirm that your organizing document meets this requirement, whether by express provision or by reliance on operation of state law. Attach a statement that describes specifically where your organizing document meets this requirement, such as a reference to a particular article or section in your organizing document or by operation of state law. See the instructions, including Appendix B, for information about the special provisions that need to be contained in your organizing document. Go to line 2.

2 Are you a private operating foundation? To be a private operating foundation you must engage directly in the active conduct of charitable, religious, educational, and similar activities, as opposed to indirectly carrying out these activities by providing grants to individuals or other organizations. If "Yes," go to line 3. If "No," go to the signature section of Part XI. □ Yes □ No

3 Have you existed for one or more years? If "Yes," attach financial information showing that you are a private operating foundation; go to the signature section of Part XI. If "No," continue to line 4. □ Yes □ No

4 Have you attached either (1) an affidavit or opinion of counsel, (including a written affidavit or opinion from a certified public accountant or accounting firm with expertise regarding this tax law matter), that sets forth facts concerning your organization and support to demonstrate that you are likely to satisfy the requirements to be classified as a private operating foundation; or (2) a statement describing your proposed operations as a private operating foundation? □ Yes □ No

5 If you answered "No" to line 1a, indicate the type of public charity status you are requesting by checking one of the choices below. You may check only one box.

- a 509(a)(1) and 170(b)(1)(A)(i)—a church or a convention or association of churches. Complete and attach Schedule A.
- b 509(a)(1) and 170(b)(1)(A)(ii)—a **school**. Complete and attach Schedule B.
- c 509(a)(1) and 170(b)(1)(A)(iii)—a **hospital**, a cooperative hospital service organization, or a medical research organization operated in conjunction with a hospital. Complete and attach Schedule C.
- d 509(a)(3)—an organization supporting either one or more organizations described in line 5a through c, f, g, or h or a publicly supported section 501(c)(4), (5), or (6) organization. Complete and attach Schedule D.
Part X  Public Charity Status (Continued)

e  509(a)(4)—an organization organized and operated exclusively for testing for public safety.  

f  509(a)(1) and 170(b)(1)(A)(iv)—an organization operated for the benefit of a college or university that is owned or operated by a governmental unit.  

g  509(a)(1) and 170(b)(1)(A)(vi)—an organization that receives a substantial part of its financial support in the form of contributions from publicly supported organizations, from a governmental unit, or from the general public.  

h  509(a)(2)—an organization that normally receives not more than one-third of its financial support from gross investment income and receives more than one-third of its financial support from contributions, membership fees, and gross receipts from activities related to its exempt functions (subject to certain exceptions).  

i  A publicly supported organization, but unsure if it is described in 5g or 5h. The organization would like the IRS to decide the correct status.  

6  If you checked box g, h, or i in question 5 above, you must request either an advance or a definitive ruling by selecting one of the boxes below. Refer to the instructions to determine which type of ruling you are eligible to receive.

a  Request for Advance Ruling: By checking this box and signing the consent, pursuant to section 6501(c)(4) of the Code you request an advance ruling and agree to extend the statute of limitations on the assessment of excise tax under section 4940 of the Code. The tax will apply only if you do not establish public support status at the end of the 5-year advance ruling period. The assessment period will be extended for the 5 advance ruling years to 8 years, 4 months, and 15 days beyond the end of the first year. You have the right to refuse or limit the extension to a mutually agreed-upon period of time or issue(s). Publication 1035, Extending the Tax Assessment Period, provides a more detailed explanation of your rights and the consequences of the choices you make. You may obtain Publication 1035 free of charge from the IRS web site at www.irs.gov or by calling toll-free 1-800-829-3676. Signing this consent will not deprive you of any appeal rights to which you would otherwise be entitled. If you decide not to extend the statute of limitations, you are not eligible for an advance ruling.

For Organization

D. R. McGinnis
(Signature of Officer, Director, Trustee, or other authorized official)  

(Date)  

President
(Type or print name of signer)  

(Date)  

For Director, Exempt Organizations

By  

(Date)  

b  Request for Definitive Ruling: Check this box if you have completed one tax year of at least 8 full months and you are requesting a definitive ruling. To confirm your public support status, answer line 6b(i) if you checked box g in line 5 above. Answer line 6b(ii) if you checked box h in line 5 above. If you checked box i in line 5 above, answer both lines 6b(i) and (ii).

(i)  (a) Enter 2% of line 8, column (e) on Part IX-A. Statement of Revenues and Expenses.  

(b) Attach a list showing the name and amount contributed by each person, company, or organization whose gifts totaled more than the 2% amount. If the answer is “None,” check this box.

(ii)  (a) For each year amounts are included on lines 1, 2, and 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each disqualified person. If the answer is “None,” check this box.

(b) For each year amounts are included on line 9 of Part IX-A. Statement of Revenues and Expenses, attach a list showing the name of and amount received from each payer, other than a disqualified person, whose payments were more than the larger of (1) 1% of line 10, Part IX-A. Statement of Revenues and Expenses, or (2) $5,000. If the answer is “None,” check this box.

7  Did you receive any unusual grants during any of the years shown on Part IX-A. Statement of Revenues and Expenses? If “Yes,” attach a list including the name of the contributor, the date and amount of the grant, a brief description of the grant, and explain why it is unusual.  

☐ Yes  ☒ No
Part XI  User Fee Information

You must include a user fee payment with this application. It will not be processed without your paid user fee. If your average annual gross receipts have exceeded or will exceed $10,000 annually over a 4-year period, you must submit payment of $500. If your gross receipts have not exceeded or will not exceed $10,000 annually over a 4-year period, the required user fee payment is $150. See instructions for Part XI, for a definition of gross receipts over a 4-year period. Your check or money order must be made payable to the United States Treasury. User fees are subject to change. Check our website at www.irs.gov and type "User Fee" in the keyword box, or call Customer Account Services at 1-877-829-5500 for current information.

1  Have your annual gross receipts averaged or are they expected to average not more than $10,000?
   □ Yes  X No
   If "Yes," check the box on line 2 and enclose a user fee payment of $150 (Subject to change—see above).
   If "No," check the box on line 3 and enclose a user fee payment of $500 (Subject to change—see above).

2  Check the box if you have enclosed the reduced user fee payment of $150 (Subject to change).

3  Check the box if you have enclosed the user fee payment of $500 (Subject to change).

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application, including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please Sign Here  ▶
(Signature of Officer, Director, Trustee, or other authorized official)

D. R. McGinnis  ▶
(Type or print name of signer)  (Date)

President

(Type or print title or authority of signer)

Reminder: Send the completed Form 1023 Checklist with your filled-in-application.
SUPPLEMENTAL INFORMATION
FORM 1023
AUBURN UNIVERSITY REAL ESTATE FOUNDATION, INC.

PART V QUESTION 2(a)
Gordon M. Sherman, William T. Heard and B. Phil Richardson serve as Directors of the Auburn University Foundation, the sole member of the AUREF.

D. R. McGinnis and Charles W. Bruce are employees of Auburn University. Rhett Riley was previously an employee of Auburn University.

PART V QUESTION 3(a)

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
<th>Hours Worked</th>
<th>Duties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gordon M. Sherman</td>
<td>Businessman</td>
<td>N/A</td>
<td>Director</td>
</tr>
<tr>
<td>William T. Heard</td>
<td>Businessman</td>
<td>N/A</td>
<td>Director/Officer</td>
</tr>
<tr>
<td>B. Phil Richardson</td>
<td>Businessman</td>
<td>N/A</td>
<td>Director</td>
</tr>
<tr>
<td>Nancy Davis</td>
<td>Real Estate Attorney</td>
<td>N/A</td>
<td>Director</td>
</tr>
<tr>
<td>D. R. McGinnis</td>
<td>Gift Development</td>
<td>N/A</td>
<td>Officer</td>
</tr>
<tr>
<td>Charles W. Bruce</td>
<td>Financial &amp; Accounting Services</td>
<td>N/A</td>
<td>Officer</td>
</tr>
<tr>
<td>Rhett Riley</td>
<td>Real Estate Consultant</td>
<td>N/A</td>
<td>Due Diligence regarding gifts of real estate and consultation regarding disposition</td>
</tr>
</tbody>
</table>

PART V QUESTION 3(b)
D. R. McGinnis and Charles W. Bruce are salaried employees of Auburn University.

PART V QUESTION 7(a)
AUREF may receive services from Mr. Riley.

PART VI QUESTION 1(b)
AUREF will provide services to the Auburn University Foundation i.e. consultation and due diligence relating to receipt of real estate donations and consultation relating to disposition of real estate.

PART VI QUESTION 2(b)
AUREF will provide services to the Auburn University Foundation i.e. consultation and due diligence relating to receipt of real estate donations and consultation relating to disposition of real estate.

PART VIII QUESTION 11
Policies attached as Exhibit VIII 11.
PART VIII QUESTION 13(b)
AUREF will make distributions of sales proceeds to Auburn University Foundation its sole member.

PART VIII QUESTION 15
The Auburn University Foundation is the sole member of AUREF.
July 23, 1993

Mr. Shutt N. Riley
576 Cross Creek Road
Auburn, Alabama 36830

Dear Shutt:

Upon review and approval of the letter you sent me dated May 31, 1993, this letter is to serve as a contract with you for services detailed below with the Auburn University Foundation. Contents of that letter have been revised and approved by Gilmer Blackburn, President of the Foundation, and Glen James, Foundation Counsel. The effective date of this contract will be July 1, 1993.

1. Scope of Duty

Specific areas of consulting activity will be in the following:

a. Continue responsibility as Foundation Treasurer through September, 1993, at no compensation. Additionally, I will assist during the transition with the Advancement Division's Director of Accounting (Controller).

b. Real Estate - The Foundation has established Policies and Procedures covering acceptance, management, sale, and disposition of real estate. Additionally, efforts are underway to market existing real estate, much of which was received during the Generation Fund Drive. It shall be my duty to follow through with efforts already underway to sell real estate and to provide services for acceptance of real estate and market same in accordance with Foundation Policies and Procedures.

c. Orientation and training of new Director of Accounting - the successor to Linda Peavey will need orientation and training on certain functions relating to Auburn University Foundation responsibilities and I will be available to assist upon request.

d. Gift Agreements

1. Development of a set of model gift agreement and the creation of a process to review and standardize agreements currently on file.
2. Assistance from time to time on the development of any special or unique gift agreements.

3. Other areas of the Foundation as the Executive Vice President feels appropriate within his authority.

2. Billing Rates

Ebert E. Riley agrees to render said consulting services under the terms of the agreement for $200 per day, no less than 1/2 day commitment at any one time.

3. Expenses

From time to time, Ebert E. Riley may advance monies for expenses and fees on behalf of the Foundation such as long distance telephone calls, travel, photocopying, postage and courthouse fees related to coal estate. The costs of such advance shall be reflected on the monthly statement for services and shall be paid in the same manner as charges for the time of consultation.

4. Termination

Either party hereto reserves the right to cancel and terminate this contract at any time by giving the other party thirty (30) days written notice of its election to cancel the contract. The effective date of such termination shall be thirty (30) days after transmittal of such notice to the other party. In the event of such termination, Ebert E. Riley shall send a statement of services rendered from the time of its last monthly statement through the date of termination.

5. Independent Contractor Status

I, Ebert E. Riley, acknowledge that I have entered into this contract to perform services for the Foundation as an independent contractor and not as an employee of the Foundation. As an independent contractor, I am solely responsible for any employment taxes and releases the Foundation from any possible claims that I might have in connection with said independent contractor status arising from such performance of services.
If the terms of this letter of agreement meet with your satisfaction, please acknowledge your understanding and consent to this engagement in the space provided at the end of this letter. Again, thank you for this opportunity to continue to render services to the Foundation. I look forward to more years of close association.

Accepted:

AUBURN UNIVERSITY FOUNDATION

Joseph P. Busta, Jr.  
Executive Vice President  
7-22-93  
Date

Edward H. Riley  
575 Cross Creek Road  
Auburn, Alabama 36849  
7-26-93  
Date

cc: John Biddle  
Dee Powell
### SUPPLEMENTAL INFORMATION

**FORM 990**

**AUBURN UNIVERSITY REAL ESTATE FOUNDATION, INC.**

**PART VII (q) CONTINUED**

<table>
<thead>
<tr>
<th>NAME</th>
<th>TITLE</th>
<th>MAILING ADDRESS</th>
<th>COMPENSATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rhett Riley</td>
<td>Director/Treasurer</td>
<td>575 Cross Creek Road Auburn, AL 36830</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mr. Riley will be paid as consulting fee from the Auburn University Foundation, Inc. for investigations relating to real estate donated to the Auburn University Real Estate Foundation, Inc. (hereinafter referred to as &quot;AURF&quot;). In the past 12 years, Mr. Riley has performed these services for the AURF and his fees have averaged $900 per year.</td>
</tr>
<tr>
<td>Charles W. Bruce</td>
<td>Assistant Treasurer</td>
<td>317 South College Street Auburn, AL 36849-9179</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Auburn University Real Estate Foundation (AUREF) receives gifts of real property to support the various programs of Auburn University. In limited cases where adequate justification can be provided, the real property may be held by the Foundation as an investment; however, it shall be the policy of the Foundation to sell real property donated to the Foundation as soon as a suitable offer is received or transfer said real property to Auburn University.

It shall be the policy of Auburn University Real Estate Foundation to comply with all state and local laws and all laws pertaining to Comprehensive Environmental Responses, Compensation and Liability Act of 1980 (CERCLA) as amended by Super Fund Amendment and Reauthorization Act of 1986.

The AUREF President or an approved consultant shall exercise due diligence in the review of each and every parcel of real estate which may come to the Foundation by virtue of a Will or inter vivos trust agreement or an authorized gift. This review shall include, but not be limited to, environmental assessments of the property to determine whether or not the property potentially contains contaminants or hazardous waste materials, an appraisal, review of a current survey and title exceptions, inspection of the structural soundness of buildings located on the property and inspections to confirm that all electrical, plumbing, and heating and air conditioning systems are in working order.

A decision will be made by the Board of Directors whether or not the property will be accepted based on the initial review as set out in the following statement of procedures. Properties that are now held by the Foundation shall be reviewed initially by the President or an approved consultant and then periodically thereafter to determine the potential liability under laws set out in the 1980 CERCLA Act as amended in 1986.

Auburn University Real Estate Foundation shall retain the right to refuse acceptance of any real estate after an appropriate period of review.

In cases where it is considered desirable to hire outside consultants with expertise required to protect the interest of the Foundation, the President is authorized to do so.

Approved by Board of Directors, ________________

Nov. 9, 2005 5:29 PM

[Name]
AUBURN UNIVERSITY REAL ESTATE FOUNDATION
PROCEDURE FOR ACCEPTING NEW REAL ESTATE INTERESTS

All costs associated with acceptance and maintenance of real property will be charged against any revenue generated by the property or from proceeds from sale of the property.

1. Development Officer gathers information from the Donor using the Prior-Uses Questionnaire attached as Exhibit A.

2. Development Officer forwards completed Exhibit A to the AUREF President.

3. AUREF President conducts or causes to be conducted an on-site examination of the property using Site Examination Form attached as Exhibit B and reports findings to the Development Officer with recommendations.

4. Properties which meet the following criteria may be considered for acceptance if:
   a. The prior use of the properties and surrounding properties are not of a nature that, in the judgment of the AUREF President may have exposed the property to contamination.
   b. The site inspection of the property revealed no evidence of contamination and;
   c. A reliable source, if available, can substantiate that the property is free of contamination.

5. If there is concern about possible contamination, the Foundation should use an environmental engineer to conduct an environmental assessment of the property (See Exhibit C). These assessments by outside engineers should be used selectively. Attempts should be made to have the costs of this assessment paid by the Donor. The Foundation can pay for the assessment only upon approval of the AUREF President. In such cases, the costs will be deducted from income produced from sale of the land.

6. If the assessment report shows strong indication that the property is contaminated, the Foundation should ask the Donor to clean up the site at Donor's expense or reject the gift of property. This action should be carefully weighed and be made with approval of the AUREF Chairman and the Auburn University Real Estate Foundation Board of Directors.

If the Foundation elects to receive a gift of real property which it knows contains or previously contained contaminants, or otherwise has potential environmental liability associated with it, the Donor shall be responsible for, and shall indemnify and hold harmless the Foundation, and its directors, officers, successors and assigns from and against any loss, damage, cost, expense or liability directly or indirectly arising out of or attributable to the presence of Hazardous Materials on, under or about the property or property adjacent thereto, including, without limitation, all claims, losses, damages,
liabilities, fines, penalties, charges, administrative and judicial proceedings and orders, judgments, remedial action requirements, enforcement actions of any kind, and all costs and expenses incurred in connection therewith (including but not limited to court costs, attorneys' fees, costs and expenses), arising directly or indirectly, in whole or in part, out of (i) the presence on or under the property of any Hazardous Material; (ii) any activity carried on or undertaken on or off the property prior to the transfer of the property to the Foundation, whether by Donor or any predecessor in title or any third persons at any time occurring or present on the property, in connection with the investigation, handling, treatment, removal, storage, decontamination, or clean-up of any Hazardous Material on or under the Property; and (iii) the proper recycling and/or disposal of lead acid batteries. The foregoing indemnity shall further apply to any residual contamination on or under the property, or affecting any natural resource, and to any contaminant attached to any property or natural resource arising in connection with the presence of any Hazardous Material, and irrespective of whether any of such activities were or will be undertaken in accordance with applicable laws, regulations, codes and ordinances.

7. Development Officer should obtain the following information from the Donor:
   a. Letter of Intent stating that the Donor desires to contribute the property to the Foundation.
   b. Recent certified MAI appraisal based on IRS regulations.
   c. Complete legal description of property with date of survey and name of surveyor.
   d. Tax status of property.
   e. Donor should indicate if gift is restricted or unrestricted. If restricted, documentation should be provided by Donor indicating the restriction.
   f. All rights will be conveyed with the property Donor.
   g. Donor provides assurance that the title is clear and can be conveyed free from any and all encumbrances, except ad valorem taxes, not yet due and payable, existing restrictions, easements of record and applicable zoning ordinances. Donor shall have a reasonable time (e.g. 20 days) to cure defect in title, and the Foundation shall not incur any cost associated with perfecting title. In connection with the transfer of property, the Donor will be required to execute and deliver an owners/sellers affidavit, which contains standard language regarding ownership of the property and representations that same is free from liens, lawsuits, etc.
   h. Are there any leases affecting the property such as farming, hunting, grazing, oil and/or gas rental agreements? If so, obtain a copy of the lease(s) for review.

8. Donor should be informed that the gift is subject to approval of the Auburn University Real Estate Foundation.
9. Development Officer submits all above referenced information to the AUREF President.

10. AUREF President submits recommendation to Auburn University Real Estate Foundation Board of Directors for approval. Upon receipt of approval, the Development Officer is notified and notifies the Donor.

11. The general warranty deed is recorded in the appropriate county court record by the Foundation.

12. The AUREF President notifies the appropriate Business Office department of the gift and insures proper recording of the gift on Foundation records.

13. The original title documents for real property will be retained in the AUREF Office.

Approved by Board of Directors. ____________________________
EXHIBIT A

PRIOR USES QUESTIONNAIRE

Donor Name: __________________________ Name on Property Title: __________________________
Address of Property: __________________________ __________________________
________ __________________________ (City/County)
Location of Property: __________________________ Description of Property:
Agricultural __________________________
Commercial/Industrial __________________________
Legal Description: __________________________ Undeveloped Land __________________________
Residential __________________________
Age of Buildings (Years) __________________________
Other __________________________ (Specify)
If known, please indicate prior uses of property: __________________________
________________________

6. To provide the Foundation with proper assurance the Donor must attest to the following:

1. Donor owns fee simple title to the property described herein and has the authority to enter into an agreement with the Foundation by which said property will be conveyed to the Foundation.

2. Donor has complied with all laws, ordinances, rules and regulations of all local, state and federal governments, and Donor has not received any notice from any municipal, county, state or other governmental agency or body having jurisdiction over the property of any zoning, fire, health, or environmental violation or violation of any material laws, ordinances, statutes or regulations relating to pollution or environmental standards which have not heretofore either been corrected or disclosed to the Foundation.

WRN/GC/1705
3. Donor warrants and represents that to its knowledge: (i) no hazardous or toxic materials, including, without limitation, any asbestos containing materials, polychlorinated byphenyls, crude oil or any fraction thereof which is liquid at standard conditions of temperature and pressure (sixty degrees Fahrenheit and 14.7 pounds per square inch absolute), any radioactive material, any solid, liquid, gaseous or thermal irritant or contaminant or any substances now or after present time defined as or included in the definition of "hazardous substances," "hazardous wastes," or "toxic substances" under any applicable federal, state or local laws, ordinances, codes, rules, orders, decrees or regulations and including materials to be recycled, reconditioned or reclaimed (collectively hereinafter referred to as "Hazardous Material") have been manufactured, used, located on, installed in, transported to or from, generated, stored, buried, released, allowed to escape, discovered upon, or disposed of (collectively referred to as "Incident") on, or in a location that has or will adversely affect, the property and (ii) no notice, request, investigation, administrative order, consent order, agreement, litigation or settlement (collectively referred to herein as "Actions") is proposed, threatened, anticipated or in existence with respect to the presence, suspected presence or potential presence of any Hazardous Material on or about the Property from any source.

To the best of Donor's knowledge, the information provided herein regarding the prior use of the property is accurate and complete.

Donor's Signature

Date

Donor's Printed Name
EXHIBIT B

SITE EXAMINATION CHECKLIST

Date of Site Examination __________________ Name of Examiner __________________

Account Name ____________________________ Account Number: ________________

Location of Property ____________________________________________________________

1. Is there any visible evidence that the ditches or canals or other surface waters (i.e.,
   streams, ponds, water retention pools, "puddles") are polluted?
   Yes ______ No _________

2. Is there any visible evidence of potentially hazardous materials such as chemicals,
   garbage or metal containers stored or disposed on the property?
   Yes ______ No _________

3. Are there any areas of the property that have no vegetation or have a suspicious odor?
   Yes ______ No _________

4. Are there commercial buildings on the property constructed before 1970? These often
   contain asbestos.
   Yes ______ No _________

5. Regarding undeveloped property, are there controls against unauthorized access, such
   as gates or fences?

   Are there (locked) gates to prevent use
   of access roads?  Yes ______ No ______

   Is the property fenced? Yes ______ No ______

   Is the property posted? Yes ______ No ______

   Are there other controls? Yes ______ No ______

6. From a review of the tax maps and a drive around the property, if possible, does any
   surrounding property appear to be used or ever used in a manner which would be
   considered a potential risk use?
   Yes ______ No ______

7. Attach photographs of property, particularly any photographs showing potential hazards.

8. Additional comments:

9. Further action recommended:

NOTE: Yes or no answers to any of the above questions do not, by themselves, suggest
that an environmental assessment is needed. If concern exists, a Phase 1
assessment by an Environmental Engineer might be appropriate.
AU BURN UNIVERSITY REAL ESTATE FOUNDATION
REAL PROPERTY SALE PROCEDURE

The foundation, from time to time, receives real property as a gift either through direct conveyance or via bequest. Generally, it is in the best interest of the Foundation to sell the real property and apply proceeds from the sale as specified by the Donor.

When real property of the Foundation is considered for sale, the following procedures will be operative, unless other specific action is authorized by the Board of Directors of the Foundation:

1. At the time a gift of real property is offered, an appraisal is required in order to establish the value of the gift. If a firm offer is received within one year from date of the appraisal at a price not less than the appraised value, the President is authorized to sell the property for the price offered.

2. For all sales not achieved under item 1, a review and recommendation by administrators, including the President, will be obtained on any proposed sale and submitted for consideration to the Foundation Board of Directors.

3. On property where the value is estimated at $25,000 or less, a licensed real estate appraisal will be accepted; however, a qualified MAI real estate appraisal will be obtained for property with an estimated value above $25,000. Such appraisals shall be done within ninety days of the date the Board of Directors considers the sale.

4. Except in cases where the President may authorize release of appraisals, the appraisals obtained by the Foundation shall not be furnished to prospective purchasers and shall be the property of the Foundation and subject to confidentiality.

5. The foregoing material will be presented to the Board for approval.

6. Generally, the sale of real property shall be for cash only.

7. All conveyances of real property will be by general warranty deed signed by the President of Auburn University Real Estate Foundation or by the person acting as such.

8. Any sale of real property at a price less than the appraised value must be specifically approved by the Board of Directors.

9. This policy is intended to apply to sales of full fee interests in Auburn University Real Estate Foundation realty and not to leases, easements and other conveyances of partial property interests.

10. All contracts for the sale of the real estate and documents for the transfer of title shall be approved by legal counsel for the Foundation.

11. The purchaser will pay for all closing costs including but not limited to title, insurance, surveys or loan discounts. Costs associated with the furnishing of a deed to the property any title curative work required to deliver good and marketable title to the purchaser will be paid by the Foundation.

Approved by Board of Directors, ______________

WRM/02/1223