

**Clemson University Real Estate Foundation, Inc.**

Consolidated Financial Statements  
June 30, 2010 and 2009  
(With Independent Auditors' Report Thereon)

# **Clemson University Real Estate Foundation, Inc.**

## Table of Contents

	<u>Page</u>
<b>Independent Auditors' Report</b>	1
<b>Financial Statements</b>	
Consolidated Statements of Financial Position	2
Consolidated Statements of Activities	3-4
Consolidated Statements of Cash Flows	5
<b>Notes to Consolidated Financial Statements</b>	6-15



## Independent Auditors' Report

Board of Directors  
Clemson University Real Estate Foundation, Inc.  
Clemson, South Carolina

We have audited the accompanying consolidated statements of financial position of Clemson University Real Estate Foundation, Inc. (the "Foundation") as of June 30, 2010 and 2009, and the related consolidated statements of activities and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2010 and 2009, and the change in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Cherry, Bekaert + Holland, L.L.P.*

Greenville, South Carolina  
August 25, 2010

## Clemson University Real Estate Foundation, Inc.

### Consolidated Statements of Financial Position June 30, 2010 and 2009

	<b>2010</b>		<b>2009</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 169,563	\$	160,998
Real estate investments	27,431,625		26,473,931
Real estate, net	10,699,541		10,591,102
Development costs	1,335,451		1,335,451
Other	4,827		7,956
Total assets	\$ 39,641,007	\$	38,569,438
<b>Liabilities and Net Assets</b>			
Accounts payable	\$ 37,577	\$	27,300
Accrued interest payable	6,312		1,303
Deferred revenue	1,208,989		1,285,984
Due to Clemson University Foundation	21,023,653		21,001,260
Notes payable	1,855,175		1,489,787
Total liabilities	24,131,706	\$	23,805,634
Net assets:			
Unrestricted	687,277		123,057
Temporarily restricted	14,822,024		14,640,747
Total net assets	15,509,301	\$	14,763,804
Total liabilities and net assets	\$ 39,641,007	\$	38,569,438

See accompanying notes to financial statements.

## Clemson University Real Estate Foundation, Inc.

Consolidated Statements of Activities  
Year ended June 30, 2010  
(with comparative information for 2009)

	Unrestricted	Temporarily restricted	Totals	
			2010	2009
Revenues, gains, and other support:				
Gifts	\$ 425,000	\$ 453,074	\$ 878,074	\$ 4,077,916
Rental revenues	103,558	-	103,558	103,558
Net realized losses on real estate	-	-	-	(115,968)
Unrealized gain on real estate investments	194,500	(194,500)	-	2,391,097
Common area fees	472,320	-	472,320	449,739
Other fees	25,000	-	25,000	2,001
Total revenues and gains	<u>1,220,378</u>	<u>258,574</u>	<u>1,478,952</u>	<u>6,908,343</u>
Net assets released from restrictions	<u>77,297</u>	<u>(77,297)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>1,297,675</u>	<u>181,277</u>	<u>1,478,952</u>	<u>6,908,343</u>
Program expenses:				
Gifted property	77,297	-	77,297	441,780
CU-ICAR campus	625,891	-	625,891	600,674
Total program expenses	<u>703,188</u>	<u>-</u>	<u>703,188</u>	<u>1,042,454</u>
Interest expense	<u>30,267</u>	<u>-</u>	<u>30,267</u>	<u>38,101</u>
Total expenses	<u>733,455</u>	<u>-</u>	<u>733,455</u>	<u>1,080,555</u>
Change in net assets	564,220	181,277	745,497	5,827,788
Net assets at beginning of year	<u>123,057</u>	<u>14,640,747</u>	<u>14,763,804</u>	<u>8,936,016</u>
Net assets at end of year	<u>\$ 687,277</u>	<u>\$ 14,822,024</u>	<u>\$ 15,509,301</u>	<u>\$ 14,763,804</u>

See accompanying notes to financial statements.

## Clemson University Real Estate Foundation, Inc.

Consolidated Statements of Activities  
Year ended June 30, 2009  
(with comparative information for 2008)

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
Revenues, gains, and other support:				
Gifts	\$ 265,000	\$ 3,812,916	\$ 4,077,916	\$ 3,528,967
Rental revenues	103,558	-	103,558	103,558
Net realized losses on real estate	-	(115,968)	(115,968)	-
Unrealized gain on real estate investments	2,280,297	110,800	2,391,097	-
Common area fees	449,739	-	449,739	412,519
Other fees	2,001	-	2,001	25,000
Total revenues and gains	<u>3,100,595</u>	<u>3,807,748</u>	<u>6,908,343</u>	<u>4,070,044</u>
Net assets released from restrictions	<u>441,780</u>	<u>(441,780)</u>	<u>-</u>	<u>-</u>
Total revenues, gains, and other support	<u>3,542,375</u>	<u>3,365,968</u>	<u>6,908,343</u>	<u>4,070,044</u>
Program expenses:				
Gifted property	441,780	-	441,780	40,724
CU-ICAR campus	600,674	-	600,674	576,902
Total program expenses	<u>1,042,454</u>	<u>-</u>	<u>1,042,454</u>	<u>617,626</u>
Interest expense	<u>38,101</u>	<u>-</u>	<u>38,101</u>	<u>376,197</u>
Total expenses	<u>1,080,555</u>	<u>-</u>	<u>1,080,555</u>	<u>993,823</u>
Change in net assets	2,461,820	3,365,968	5,827,788	3,076,221
Net assets at beginning of year	<u>(2,338,763)</u>	<u>11,274,779</u>	<u>8,936,016</u>	<u>5,859,795</u>
Net assets at end of year	<u>\$ 123,057</u>	<u>\$ 14,640,747</u>	<u>\$ 14,763,804</u>	<u>\$ 8,936,016</u>

See accompanying notes to financial statements.

## Clemson University Real Estate Foundation, Inc.

### Consolidated Statements of Cash Flows Years ended June 30, 2010 and 2009

	<b>2010</b>	<b>2009</b>
Cash flows from operating activities:		
Change in net assets	\$ 745,497	\$ 5,827,788
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized losses on real estate	-	115,968
Unrealized gain on real estate investments	-	(2,391,097)
Noncash gifts	(453,074)	(3,812,916)
Depreciation expense	64,110	29,898
(Increase) decrease in assets:		
Other assets	3,129	(6,086)
Increase (decrease) in liabilities:		
Accounts payable	10,277	20,572
Accrued interest payable	5,009	(7,788)
Deferred revenue	(76,995)	148,240
Due to Clemson University Foundation	22,393	11,851
Net cash provided by (used in) operating activities	320,346	(63,570)
Cash flows from investing activities:		
Proceeds from sales of land held for resale	-	400,032
Development costs	-	(91,099)
Purchases of land and equipment	(241,773)	-
Construction in progress	(435,396)	-
Net cash (used in) provided by investing activities	(677,169)	308,933
Cash flows from financing activities:		
Proceeds from note payable	494,794	-
Principal payments on notes payable	(129,406)	(141,107)
Net cash provided by (used in) financing activities	365,388	(141,107)
Net increase in cash and cash equivalents	8,565	104,256
Cash and cash equivalents, beginning of year	160,998	56,742
Cash and cash equivalents, end of year	\$ 169,563	\$ 160,998
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 29,602	\$ 45,890

See accompanying notes to financial statements.

## **Clemson University Real Estate Foundation, Inc.**

Notes to Consolidated Financial Statements  
June 30, 2010 and 2009

### **Note 1 - Organization**

The Clemson University Real Estate Foundation, Inc. (the “Foundation”) was formed to serve the needs of Clemson University (the “University”) and/or Clemson University Foundation (“CUF”) in the acceptance of gifts and the acquisition and development of property and real estate. Proceeds from sales of property and real estate are contributed to CUF and / or the University for the benefit of donor imposed programs and endowments.

### **Note 2 - Summary of Significant Accounting Policies**

#### **Basis of Accounting**

The consolidated financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

#### **Basis of Presentation**

The Foundation’s net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

*Unrestricted net assets* – Net assets that are not subject to donor-imposed stipulations.

*Temporarily restricted net assets* – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Gifts of property and real estate, including unconditional promises to give, are recognized as revenues in the period received. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.



## **Clemson University Real Estate Foundation, Inc.**

Notes to Consolidated Financial Statements  
June 30, 2010 and 2009

### **Note 2 - Summary of Significant Accounting Policies, continued**

#### **Basis of Presentation, continued**

Income and net realized and unrealized gains (losses) on investments are reported as follows:

As increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income;

As increases (decreases) in unrestricted net assets in all other cases.

#### **Principles of Consolidation**

The consolidated financial statements include the financial statements of the Foundation and its wholly owned subsidiaries LICAM LLC and LICAR LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

#### **Cash and Cash Equivalents**

The Foundation considers all interest bearing money market accounts with an initial maturity of three months or less at the date of purchase to be cash equivalents. Bank balances are insured for \$250,000 through the Federal Depository Insurance Corporation ("FDIC"). The Foundation's cash deposits exceed insured limits at various times during the year.

#### **Real Estate Investments**

Real estate investments consist of donated properties, gifts of life estate properties, land leased to tenants and land held for development.

Donated properties are appraised by a certified, independent appraiser and recorded at fair value at the time of donation. A certified title examination is performed and if appropriate, an environmental survey is obtained.

Life estate properties are restricted gifts whereby the Foundation's right to realize the economic benefits is restricted for a defined time period. As a result, the gifts are recorded at the discounted present value at applicable interest rates at the time of the gift.

Land leased to tenants is recorded at fair value at the time of acquisition. The land is leased for a sixty-five year period with option to renew for three ten year periods.

Land held for development is recorded at fair value at the time of acquisition. The land is being marketed as commercial property for long term development over an approximate twenty-five year period.

## **Clemson University Real Estate Foundation, Inc.**

Notes to Consolidated Financial Statements  
June 30, 2010 and 2009

### **Note 2 - Summary of Significant Accounting Policies, continued**

#### **Real Estate Investments, continued**

Real estate investments are reviewed every two to three years and reappraised as deemed necessary.

#### **Real Estate**

Real estate consists of land, buildings and infrastructure in use or held for later programmatic use. Real estate is recorded at the lower of cost or the appraised fair value on the date of donation.

Buildings and infrastructure are depreciated using the straight-line method over the estimated useful lives of the respective assets ranging from 15 to 20 years.

#### **Development Costs**

Development costs include costs related to the master plan, civil engineering and site preparation at the Clemson University International Center for Automotive Research (“CU-ICAR”) campus development. These costs have been capitalized and will be amortized over the estimated benefited life when the property is ready for its intended use.

#### **Income Taxes**

The Foundation is recognized as an organization exempt from Federal income tax on related income under Section 501(a) of the Internal Revenue Code (the “Code”) and described as an organization in Section 501 (c)(3) of the Code. Accordingly, only unrelated business income, as defined by Section 513 of the Code is subject to Federal income tax.

The Foundation adopted the provisions of the Financial Accounting Standards Board (“FASB”) guidance on Accounting for Uncertainty in Income Taxes on July 1, 2009. The Foundation’s policy is to record a liability for any tax position taken that is beneficial to the Foundation, including any related interest and penalties, when it is more likely than not the position taken by management with respect to a transaction or class of transactions will be overturned by a taxing authority upon examination. Management believes that there are no such positions as of June 30, 2010 and 2009 and, accordingly, no liability has been accrued.

## Clemson University Real Estate Foundation, Inc.

Notes to Consolidated Financial Statements  
June 30, 2010 and 2009

### Note 2 - Summary of Significant Accounting Policies, continued

#### Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America (“GAAP”) requires management of the Foundation to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

#### Note 3 – Fair Value Measurements

Fair value, as defined under GAAP, is an exit price, representing the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Foundation utilizes market data or assumptions that market participants would use in pricing the asset or liability. The Foundation has characterized its financial assets and liabilities which are measured at fair value and recorded in the balance sheet, based on a three-level fair value hierarchy based on the inputs to valuation techniques as follows:

Level 1 – valuations based on quoted prices in active markets for identical assets or liabilities.

Level 2 – valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - valuations based on unobservable inputs reflecting the Foundation’s own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment or estimation by the investment manager.

The following table summarizes the valuation of the Foundation’s financial assets measured at fair value as of June 30, 2010, based on the level of input utilized to measure fair value:

Measurement at fair value on a non-recurring basis at June 30, 2010:

	Level 1	Level 2	Level 3
Real estate held for resale	\$ -	\$ 3,812,000	\$ -
Life estate properties, net	-	565,005	-
Land held for lease to tenants	-	1,380,406	-
Land held for development	-	21,674,214	-
Total assets measured on a non-recurring basis	<u>\$ -</u>	<u>\$ 27,431,625</u>	<u>\$ -</u>

## Clemson University Real Estate Foundation, Inc.

Notes to Consolidated Financial Statements  
June 30, 2010 and 2009

### Note 3 – Fair Value Measurements, continued

Measurement at fair value on a non-recurring basis at June 30, 2009:

	Level 1	Level 2	Level 3
Real estate held for resale	\$ -	\$ 3,362,000	\$ -
Life estate properties, net	-	561,931	-
Land held for lease to tenants	-	1,719,000	-
Land held for development	-	20,831,000	-
Total assets measured on a non-recurring basis	\$ -	\$ 26,473,931	\$ -

### Note 4 - Real Estate Investments

Real estate held for resale at June 30, 2010 and 2009 is as follows:

Description/Location	2010	2009
Lake Hartwell, Anderson South Carolina		
Lot 2, Clearwater Shores	\$ 23,000	\$ 23,000
Powdersville, South Carolina		
Lot 1 – 1.827 acres and lot 3 – 2.283 acres	685,000	685,000
Florence, South Carolina		
Lot 3 – 1.88 acres; lot 4 – 2.34 acres; and tract C - .64 acres	1,554,000	1,554,000
Lake Wylie, Charlotte, North Carolina		
11100 Limehurst Place	1,100,000	1,100,000
Fulton County, Georgia		
4.005 acres	450,000	-
Total land held for resale	\$ 3,812,000	\$ 3,362,000

The Foundation has received two gifts of real estate from donors who have retained the right to use the property until their deaths. At the date of donation the gifts had an appraised value of \$126,000 and \$157,700, respectively. The Foundation has recorded the gifts at fair market value and discounted the gifts at the present value of the appraised amounts because the economic benefit of the properties will not be realized until the restriction of the right to use the properties ends. The present value calculation considered the life expectancy of the donors and discounted the gifts at applicable interest rates, at the time of the gifts. Accretion recorded was \$3,074 and \$2,916 in 2010 and 2009, respectively.

## Clemson University Real Estate Foundation, Inc.

Notes to Consolidated Financial Statements  
June 30, 2010 and 2009

### Note 4 - Real Estate Investments, continued

Life estate properties consist of the following at June 30, 2010 and 2009:

Description/Location	2010	2009
Riverpoint Condominium, Clemson, South Carolina, Unit 38	\$ 371,000	\$ 371,000
Houston Street, Clemson, South Carolina Lot 5	194,005	190,931
	<u>\$ 565,005</u>	<u>\$ 561,931</u>

The Foundation has acquired land in Greenville, SC to be developed into the Clemson University International Center for Automotive Research (CU-ICAR).

In December 2005, the Foundation entered into a sixty-five year ground lease for 3.53 acres. The lease required additional rental payments from the lessee within the initial six years of the lease. The lease terms include an escalation clause at the end of every fifth year based on the Consumer Price Index for All Urban Consumers ("CPI-U") and an option to renew for three ten-year terms. The Foundation has estimated the rent over the initial lease term and recorded deferred revenue for the difference between actual rent received and rental revenue recognized on a straight-line basis over the lease term.

Future minimum rental payments under noncancelable operating leases (with initial or remaining lease terms in excess of one year) as of June 30, 2010 are:

2011	\$ 56,250
2012	611,875
2013	75,000
2014	75,000
2015	75,000
2016 through year 2070	<u>4,162,500</u>
Total minimum lease payments	<u>\$ 5,055,625</u>

Rental revenues were \$103,558 for the years ending June 30, 2010 and 2009, respectively.

In September 2006, the Foundation entered into a sixty-five year ground lease for 1.27 acres. The lease required a \$25,000 deposit and cash development contributions to be received during the construction phase of the lease. Construction on the lease was required to begin no later than September 29, 2009. The lessee did not fulfill the requirements of the land lease and forfeited the \$25,000 deposit.

## Clemson University Real Estate Foundation, Inc.

Notes to Consolidated Financial Statements  
June 30, 2010 and 2009

### Note 4 - Real Estate Investments, continued

In September, 2009, the Economic Development Administration awarded the Foundation \$3,000,000 for the construction of an \$9,700,000 facility to be located in the CU-ICAR complex in Greenville, SC. The multi-tenant 60,000 square foot structure will provide office and laboratory space for companies developing new technologies in the automotive, mobility, and energy fields, and will serve as an incubator and start-up space for companies developing new innovative automotive technologies. Letters of intent to occupy approximately 70% of the new facility have been secured. The facility is currently under construction with completion expected Spring 2011.

### Note 5 - Real Estate, net

Land, buildings and infrastructure located throughout the State have been acquired or donated to the Foundation and are restricted for the use and benefit of University educational programs.

	2010	2009
Land	\$ 9,528,000	\$ 9,528,000
Buildings and infrastructure	1,265,549	1,093,000
	10,793,549	10,621,000
Accumulated depreciation	(94,008)	(29,898)
Total	\$ 10,699,541	\$ 10,591,102

Included in real estate is 853.53 acres of timberland in Camden, South Carolina that has an appraised value of \$7,750,000. The Foundation is required to assign a Conservation Easement to 753.53 acres requiring the land remain in its undeveloped state but allow for construction, operation, and management of facilities for educational purposes. Accordingly, the property was reappraised and the market value is comprised of land of \$2,193,000 and the Conservation Easement to be applied of \$5,557,000.

175.96 acres land, camp facilities and infrastructure known as Pinnacle Falls Camp located in Pickens County, South Carolina were donated to the Foundation and recorded at the appraised fair value. The land has an appraised value of \$1,617,000. Restrictive covenants require the land to remain largely in its natural state and used for the benefit of University educational programs.

Depreciation expense was \$64,110 and \$29,898 for the years ending June 30, 2010 and 2009, respectively.

### Note 6 - Development Costs

Development costs for the comprehensive master plan for the CU-ICAR campus and site preparation costs for Technology Neighborhood I have been capitalized and will be amortized over the estimated benefited life when the property is ready for its intended use.

## Clemson University Real Estate Foundation, Inc.

Notes to Consolidated Financial Statements  
June 30, 2010 and 2009

### Note 7 - Notes Payable

The notes payable at June 30, 2010 and 2009 were as follows:

Description	2010	2009
Non-revolving note payable to a bank Bearing interest at 30 day LIBOR plus 2%, which was 2.348% at June 30, 2010 and 30 day LIBOR plus 1.25% which was 1.57% at June 30, 2009. The note is payable in full July 1, 2012.	\$ 1,068,357	\$ 1,068,357
Non-revolving note payable to a bank Bearing interest at 30 day LIBOR plus 2%, which was 2.348% at June 30, 2010 and 30 day LIBOR plus 1.25% which was 1.57% at June 30, 2009. The note is payable in full July 1, 2016.	379,484	421,430
Construction loan payable to a bank Bearing interest at 5.25% for the first 84 months, and will reset each 84 months thereafter at the prevailing fixed rate. The note is payable in full December 20, 2034.	407,334	-
	<u>\$ 1,855,175</u>	<u>\$ 1,489,787</u>

The non-revolving note payable with a year-end balance totaling \$1,068,357 includes a balloon payment for the outstanding balance at July 1, 2012.

The non-revolving note payable with a year-end balance totaling \$379,484 includes a fixed monthly payment of \$4,500 through June 2011 and \$7,000 thereafter with varying portions being applied to principal and interest depending on the current interest rate with a balloon payment for the outstanding balance at July 1, 2016.

Both notes are secured by a title insured first mortgage on the real estate acquired plus an assignment of all rents, leases, and other revenues derived from the real estate.

A 300 month loan with a year-end balance of \$407,334 is in the construction phase which terminates with the certificate of occupancy issued, scheduled to be Spring 2011. Interest only is payable on the outstanding balance at 5.25%. Upon occupancy, the loan converts to the permanent phase with monthly payments of \$41,663 for the first 84 months. Each successive 84 months, the interest rate will reset to the best fixed rate quoted by the bank on similar loans with similar terms. The loan is secured by a shared first mortgage with the United States Department of Commerce, Economic Development Administration.

## Clemson University Real Estate Foundation, Inc.

Notes to Consolidated Financial Statements  
June 30, 2010 and 2009

### Note 7 - Notes Payable, continued

Additionally, the Clemson University Foundation, has guaranteed any interest and principal payments that are not otherwise paid by LICAR LLC.

Aggregate maturities of long-term notes payable are as follows:

2011	\$	87,970
2012		446,572
2013		1,148,794
2014		81,777
2015		83,139
Thereafter		<u>6,923</u>
	\$	<u>1,855,175</u>

### Note 8 - Related Party

At June 30, 2010 and 2009, amounts due to CUF are due in the normal course of business, bear no interest and are as follows:

	<u>2010</u>	<u>2009</u>
Due to Clemson University Foundation:		
Expenditures associated with development of CU-ICAR campus	\$ 932,472	\$ 932,472
Expenditures associated with gifted land held for resale	91,181	68,788
CU-ICAR land acquisitions	<u>20,000,000</u>	<u>20,000,000</u>
	\$ <u>21,023,653</u>	\$ <u>21,001,260</u>

In December 2007, the Clemson University Foundation approved a loan of \$20,000,000 to the Foundation for land acquisitions and improvements at CU-ICAR. The CUF note is unsecured, carries no interest payment obligation, is subordinate to the notes payable to a bank dated December 20, 2006, and is due on demand only after repayment of that note payable and amendments thereof.

### Note 9 - Net Assets Released from Restrictions

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes. Purpose restrictions released in 2010 and 2009 were \$77,297 and \$441,780, respectively.



## Clemson University Real Estate Foundation, Inc.

Notes to Consolidated Financial Statements  
June 30, 2010 and 2009

### Note 10 - Net Assets

Temporarily restricted net assets consist of the following at June 30, 2010 and 2009:

	2010	2009
Contributions restricted for educational programs of CUF	\$ 14,822,024	\$ 14,640,747

### Note 11 – Subsequent Events

The Foundation has evaluated subsequent events through August 25, 2010, in connection with the preparation of these financial statements which is the date the financial statements were available to be issued. In July 2010, LICAR LLC received a non-interest bearing, one year deferred payment loan from the United States Department of Agriculture for \$740,000.