

**GEORGIA TECH FOUNDATION, INC.
COMMITTEE OPERATING PROCEDURES**

REAL ESTATE COMMITTEE

The Real Estate Committee is charged with overseeing all matters concerning real estate owned or operated by, or being considered for purchase or operation by, the Foundation, and recommending any action relating to such matters that such committee deems advisable.

-- Bylaws of Georgia Tech Foundation, Inc., Article IV, Section 10

Mission: The mission of the Real Estate Committee is to carry out the responsibilities set forth in the Bylaws of the Foundation, at all times ensuring fulfillment of the Foundation's fiduciary responsibilities. To do so, the Real Estate Committee will be guided by the following policies and resolutions.

Acquisition, Management and Disposition of Real Estate

Introduction

The Georgia Tech Foundation over a period of years has acquired and been given a substantial amount of real estate. As part of its Campus Land Acquisition Policy and its Policy for Funding Land Acquisitions by the Georgia Institute of Technology, it has acquired real estate for use by the Institute. It is important for the Foundation to provide the necessary financial support to allow Georgia Tech to acquire the real estate it needs for its academic and research programs in the years ahead.

Basic Policy

The Georgia Tech Foundation is prepared to purchase individual pieces of property in and around the Georgia Tech campus that is strategic to the future of Georgia Tech. The Foundation will provide the funding for the acquisition of the property by Board of Regents for the benefit of Georgia Tech. If the committee deems it in the best interest of Georgia Tech and the Foundation, the Foundation, or one of its subsidiaries, will hold any property and where possible will try to maximize the return on such property, until it is needed by Georgia Tech. At the same time, the Foundation will attempt to minimize the annual cost of carrying said property. All property acquired by the Foundation for use by Georgia Tech will be managed by the Real Estate Committee, which will exercise oversight over the property using such internal and external resources as it deems necessary to satisfy its ongoing responsibilities with regard to the acquired property.

Gifts of Property and Interest In Property

From time to time, the Georgia Tech Foundation receives donations of property and interests in property from alumni and friends. These gifts of property will be liquidated as soon as it is economically feasible to do so. It is the policy of the Foundation to not be directly involved in the management of real estate. However, if property donated to the Foundation requires management, the Foundation, through the Real Estate Committee, will do so with such internal and external resources necessary until such property is liquidated.

Real Estate Investments

From time to time, the Investments Committee may determine that real estate investments should be a part of the Foundation's investment portfolio. Pursuant to its Objectives and Policies, the Investments Committee is solely responsible for such real estate investments, provided they are passive in nature. The Real Estate Committee may offer its advice on such investments when so requested by the Investments Committee. For property that is purchased according to the Campus Land Acquisition Policy or the Policy for Funding Land Acquisitions by the Georgia Institute of Technology and funded by the investment portfolio as approved by the Investments Committee, the Real Estate Committee will manage said property.

Campus Land Acquisition Policy

The Campus Land Acquisition Policy, first adopted in February, 1998 and amended in June, 1999, June 2001 and June 2002, is attached.

Policy for Funding Land Acquisitions by the Georgia Institute of Technology

The Policy for Funding Land Acquisitions by the Georgia Institute of Technology was first adopted in June 2002 as a modification to the Campus Land Acquisition Policy, is also attached.

Campus Land Acquisition Policy

The Board of Trustees of the Georgia Tech Foundation, Inc. recognizes that the Georgia Institute of Technology has completed a long-term master plan for the Georgia Tech campus which identifies property of interest to Georgia Tech for future campus expansion or for uses compatible with the needs of the faculty, staff and students of Georgia Tech; and

The Board of Trustees of the Georgia Tech Foundation, Inc. has determined that, as a part of its mission of aiding Georgia Tech in its development as a leading educational institution, the Foundation should acquire property identified by the campus master plan and the President of Georgia Tech for future use by Georgia Tech or future development in a fashion compatible with the needs of the faculty, staff and students of Georgia Tech;

Therefore, the Board of Trustees of the Georgia Tech Foundation, Inc. does hereby express its intent to implement a program of land acquisition for the benefit of the Georgia Institute of Technology.

Provided, however, that any purchase of property pursuant to this program shall be (1) made at the request of the President of the Georgia Institute of Technology, (2) demonstrated to be consistent with the long-term master plan for the Georgia Tech campus, (3) at a price guided by an independent third-party appraisal of the property, and (4) subject to Georgia Tech having requested acceptance by the Board of Regents of the property prior to closing and (5) subject to acceptance by the Board of Regents no later than 120 days after closing and (6) subject to sufficient funding through the Georgia Tech Foundation Funding Corporation (GTFFC), or other sources available to the Institute, such as gifted funds, and (7) subject to review by the Real Estate and Finance Committees of the Foundation and approval, based on the recommendation of the Real Estate and Finance Committees, by the Executive Committee of the Foundation or by the Board of Trustees of the Foundation, as provided in the Bylaws of the Foundation.

Provided further, that the guideline for assets acquired pursuant to this program, as well as those acquired through the policy for funding land acquisitions, shall comply with the borrowing limits stated in the Debt Limit Policy.

Adopted by the Board of Trustees in June 1999
Amended by the Board of Trustees in June 2001
Amended by the Board of Trustees, June 7, 2002
Amended by the Board of Trustees, June 5, 2009
Amended by the Board of Trustees, September 24, 2010

Policy for Funding Land Acquisitions by the Georgia Institute of Technology

The Board of Trustees of the Georgia Tech Foundation, Inc. recognizes that the Georgia Institute of Technology has completed a long-term master plan for the Georgia Tech campus which identifies property of interest to Georgia Tech for future campus expansion or for uses compatible with the needs of the faculty, staff and students of Georgia Tech; and

The Board of Trustees of the Georgia Tech Foundation, Inc. has determined that, as a part of its mission of aiding Georgia Tech in its development as a leading educational institution, the Foundation should assist Georgia Tech in acquiring property identified by the campus master plan and the President of Georgia Tech for future use by Georgia Tech or future development in a fashion compatible with the needs of the faculty, staff and students of Georgia Tech;

Therefore, the Board of Trustees of the Georgia Tech Foundation, Inc. does hereby express its intent to implement a program of providing funding to assist Georgia Tech in property acquisition.

Provided, however, that any purchase of property with funding provided by the Georgia Tech Foundation pursuant to this program shall be (1) made at the request of the President of the Georgia Institute of Technology, (2) demonstrated to be consistent with the long-term master plan for the Georgia Tech campus, (3) purchased by the Board of Regents of the University System of Georgia according to its policies and procedures and for the benefit of the Georgia Institute of Technology, (4) subject to sufficient funding through the Georgia Tech Foundation Funding Corporation (GTFFC), or other sources available, such as gifted funds and (5) subject to review by the Real Estate and Finance Committees of the Foundation and approval, based on the recommendation of the Real Estate and Finance Committees, by the Executive Committee of the Foundation or by the Board of Trustees of the Foundation, as provided in the Bylaws of the Foundation.

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Gifts of Real Estate

Contributions of real estate to the Georgia Tech Foundation, Inc. have been an important source of support for Georgia Tech. It is equally important to review a proposed gift of real estate carefully to ensure that the donation is in the best interest of the donor and Georgia Tech.

The Real Estate Committee of the Foundation will examine any proposed gift of real estate to determine whether there are any conditions that may adversely affect the Foundation's ability to market the property. In most instances, the Real Estate Committee will require that an environmental audit, to include inspections for soil and/or water contamination, regulated materials or substances, and a title examination be conducted prior to acceptance of the gift.

Federal income tax regulations require that a donor obtain a written appraisal to substantiate gifts of property worth \$5,000 or more. The Foundation will generally accept gifts of real estate at the value established by the donor's appraisal. After acceptance, the property will be placed on the market and sold for an amount determined by the Real Estate Committee to be the best available price in the then prevailing market conditions. The donor's appraisal will be considered in setting the selling price of the property but will not be determinative.

A donation of real estate may be made through the transfer of an undivided interest in the property. The Foundation will request that any contribution of an undivided interest include an agreement from the other owners of the tract to proceed with the sale of the property, or some arrangement for the payment of expenses associated with the property while it is being held for future sale.

Special attention should be paid to proposed contributions of property that is encumbered by existing debt. A professional tax advisor should be consulted to determine whether the application of the "bargain sale" rules will result in an income tax to the donor on the transfer of the property to the Foundation. Before accepting property subject to existing debt, the Foundation will require evidence of sufficient income to pay debt service and other expenses associated with the property or an indication that the property may be sold quickly for an amount in excess of the debt.

Gifts of Real Estate (continued)

It is the policy of the Georgia Tech Foundation, Inc. to require a Phase I environmental audit before it accepts any gift of real estate. Any exceptions to this policy must be approved by the chairman of the Foundation and the chairman of the Real Estate Committee.

Regulated materials studies are to be obtained prior to acceptance of a gift of real property. The cost of obtaining the study may be borne by either the donor or the Foundation, as agreed upon by the parties of the transaction.

Real Estate Holding Corporation

Georgia Tech Foundation, Inc. accepts donated real estate and purchases real estate in accordance with its policies governing such gifts and purchases through a separate corporation, Georgia Tech Foundation Real Estate Holding Corporation. The holding corporation, of which the Foundation is the sole member, was incorporated on October 4, 1990 for the sole purpose of holding title to real estate on behalf of the Foundation.

Form for Resolution Authorizing Sale of Real Property

WHEREAS, the Real Estate Committee of the Georgia Tech Foundation, Inc. (“the Foundation”) has recommended that the Board of Trustees of the Foundation sell the tract of real property containing approximately [#] acres of land located on [street, city, county, state], more particularly described on Exhibit “A” attached to this resolution (the “Property”); and

WHEREAS, the Board of Trustees has determined that it is in the best interest of the Foundation to sell the Property;

RESOLVED, that the sale by the Foundation of the Property for the cash price of \$[price] per acre is hereby authorized and approved by the Board of Trustees of the Georgia Tech Foundation, Inc.; and

FURTHER RESOLVED, that the officers of the Foundation, to-wit: the Chairman, Vice Chair-Chair Elect, President, Treasurer and Secretary, or any one of them, be authorized and directed to deliver, on behalf of the Foundation, such letters of intent, sales contracts, deeds, affidavits of title, closing statement and other documents as may be necessary or desirable to carry out the purpose and intent of this resolution (the “Sale Documents”); and

FURTHER RESOLVED, that any and all actions taken by the officers of the Foundation, or any one or more of them, in connection with the negotiation, preparation and execution of the Sale Documents are hereby ratified, affirmed and approved in all respects.