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February 13, 2007

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South Carolina Commission
on Higher Education
Academic Affairs Division

Dr. Gail M. Morrison
SC Research Centers of Economic
Excellence
c/o SC Commission on Higher Education
1333 Main Street, Suite 200
Columbia, SC 29201

Dear Gail:

This letter is in response to your letter and e-mail regarding our request for an extension of the 18-month pledge deadline period for the Endowed Chair in Electron Imaging. Clemson University expects to have sufficient cash and/or in-kind gifts, if appropriate, from non-state sources to fully match the \$5 million award for the Endowed Chair.

We are currently in the latter stages of negotiations with two major corporate sponsors; one domestic corporation and one international corporation. The negotiations have taken longer than originally anticipated, but should be consummated this year. The local facility of the domestic company has verbally committed at least \$1 M, and the Director of Technology is working with corporate headquarters for final approval. With the international corporation, there have been numerous meetings at multiple levels of the organization, including the President of the North American company. The request is for \$5 M and must be approved by the governing board in the home country. Another major domestic corporation has recently expressed interest in supporting the Endowed Chair, as well. Public announcements will be made when the required documents are fully executed and the sponsors are prepared to do so.

We will certainly stay within the timeline specified in the guidelines for the full drawdown. Clemson representatives would be pleased to discuss the details of the confidential contractual negotiations in Executive Session with members of the South Carolina Centers of Excellence Review Board.

Based on the status of these negotiations, we are requesting a six month extension until June 29, 2007, with the understanding we may request a second six month extension until December 29, 2007, if the negotiations are not completed and we do not have the pledges in hand.

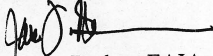


PRESIDENT

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If you have any questions regarding my response to these issues, please feel free to contact me for further information or to schedule a time to discuss these items in further detail.

Sincerely,

A handwritten signature in black ink, appearing to read 'James F. Barker', with a long horizontal flourish extending to the right.

James F. Barker, FAIA
President