LA JOLLA PHARMACEUTICAL CO
Form 8-K
December 07, 2010

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of Earliest Event Reported): December 6, 2010

La Jolla Pharmaceutical Company

(Exact name of registrant as specified in its charter)

Delaware	0-24274	33-0361285
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)
4365 Executive Drive, Suite 300, San Diego, California		92121
(Address of principal executive offices)		(Zip Code)

Registrant s telephone number, including area code: (858) 452-6600

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

[ ] Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
[ ] Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
[ ] Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
[ ] Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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Item 5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On December 7, 2010, La Jolla Pharmaceutical Company (the "Company") announced that Bertrand C. Liang, M.D. had been appointed to the Company's Board of Directors. Such appointment was effective December 6, 2010. Dr. Liang has also been appointed to the Audit Committee of the Board of Directors. The press release announcing the appointment of Dr. Liang is attached hereto and incorporated herein.

Item 9.01 Financial Statements and Exhibits.

The following exhibit is filed with this Current Report on Form 8-K:

Exhibit No. 99.1 Press Release

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

La Jolla Pharmaceutical Company

December 7, 2010 *By:* */s/ Gail A. Sloan*

Name: Gail A. Sloan
Title: Chief Financial Officer and Secretary

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Exhibit Index

Exhibit No.	Description
99.1	Press Release

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Commissions and Discounts

The representatives have advised us that the underwriters propose initially to offer the shares of our common stock to the public at the public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. The underwriters may allow, and the dealers may reallow, a discount not in excess of $ per share to other dealers. After this initial public offering, the public offering price, concession or any other term of this offering may be changed.

The following table shows the public offering price, underwriting discount (excluding the fees described in the footnote to the table below) and proceeds, before expenses, to us. The

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information assumes either no exercise or full exercise by the underwriters of their overallotment option.

	Per Share	Without Option	With Option
Public offering price	$	$	$
Underwriting discount[(1)]	$	$	$
Proceeds, before expenses, to us	$	$	$

(1) Excludes a structuring fee payable to Raymond James & Associates, Inc. of 0.35% of the total public offering price of our common stock sold in this offering. Contingent upon completion of this offering, we will also pay Raymond James & Associates, Inc. a fee of $1,465,000 for services rendered in connection with various financing and purchase and sale arrangements.

The estimated offering expenses payable by us, exclusive of the underwriting discount and the fees payable to Raymond James & Associates, Inc. that are described below, are approximately $ million. In addition to the underwriting discount, we will also pay a structuring fee to Raymond James & Associates, Inc. of 0.35% of the total public offering price of our common stock sold in this offering in connection with certain financial analysis conducted by it in connection with this offering. This structuring fee will be approximately $ ($ if the underwriters exercise their over-allotment option in full), based on the mid-point of the price range set forth on the cover page of this prospectus. We will also pay Raymond James & Associates, Inc. a fee of $1,465,000 for services rendered in connection with various financing and purchase and sale arrangements.

The expenses of this offering, not including the underwriting discount, are estimated at $ and are payable by us.

Overallotment Option

We have granted an option to the underwriters to purchase up to additional shares of our common stock at the public offering price, less the underwriting discount. The underwriters may exercise this option for 30 days from the date of this prospectus solely to cover any overallotments. If the underwriters exercise this option, each will be obligated, subject to conditions contained in the underwriting agreement, to purchase a number of additional shares of our common stock proportionate to that underwriter s initial amount reflected in the above table.

Purchases by Directors, Officers and Employees

At our request, the underwriters have reserved of the shares of our common stock offered by this prospectus for sale to our directors, officers, employees and certain other persons associated with us at the public offering price set forth on the cover page of this prospectus. These persons must commit to purchase from an underwriter or selected dealer at the same time as the general public. The number of shares of our common stock available for sale to the general public will be reduced to the extent these persons purchase the reserved shares of our common stock. Any reserved shares of our common stock purchased by our directors or executive officers or by any of our employees in this offering will be subject to the lock-up agreements described below. We are not making loans to any of our directors, employees or other persons to purchase such shares of our common stock.

No Sales of Similar Securities

We, each of our executive officers and directors, MXT Capital and Carl H. Ricker, Jr. have agreed with the underwriters not to offer, sell or otherwise dispose of any common stock or any securities convertible into or exercisable or exchangeable for common stock (including OP units)

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or any rights to acquire common stock for a period of one year after the date of this prospectus without first obtaining the written consent of the representatives. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly

- offer, pledge, sell or contract to sell any common stock,
- sell any option or contract to purchase any common stock,
- purchase any option or contract to sell any common stock,
- grant any option, right or warrant for the sale of any common stock,
- lend or otherwise dispose of or transfer any common stock,
- request or demand that we file a registration statement related to the common stock, or
- enter into any swap or other agreement that transfers, in whole or in part, the economic consequence of ownership of any common stock whether any such swap or transaction is to be settled by delivery of shares of our common stock or other securities, in cash or otherwise.

This lock-up provision applies to common stock and to securities convertible into or exchangeable or exercisable for or repayable with common stock. It also applies to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

In the event that either (i) during the last 17 days of the lock-up period referred to above, we issue an earnings release or material news or a material event relating to us occurs or (ii) prior to the expiration of the lock-up period, we announce that we will release earnings results or become aware that material news or a material event will occur during the 16-day period beginning on the last day of the lock-up period, the restrictions described above shall continue to apply until the expiration of the 18-day period beginning on the issuance of the earnings release or the occurrence of the material news or material event.

New York Stock Exchange Listing

We expect to apply for listing of our common stock on the NYSE under the symbol CCG. In order to meet the requirements for listing on that exchange, the underwriters will undertake to sell a minimum number of shares of our common stock to a minimum number of beneficial owners as required by that exchange.

Determination of Offering Price

Before this offering, there has been no public market for our common stock. The initial public offering price will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us,
- our financial information,

the history of, and the prospects for, our company and the industry in which we compete,

an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues,

the present state of our development, and

the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for our common stock may not develop. It is also possible that after this offering our common stock will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of our shares of common stock is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with this offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares of our common stock than they are required to purchase in this offering. Covered short sales are sales made in an amount not greater than the underwriters overallotment option described above. The underwriters may close out any covered short position by either exercising their overallotment option or purchasing shares of our common stock in the open market. In determining the source of shares of our common stock to close out the covered short position, the underwriters will consider, among other things, the price of shares of our common stock available for purchase in the open market as compared to the price at which they may purchase shares of our common stock through the overallotment option. Naked short sales are sales in excess of the overallotment option. The underwriters must close out any naked short position by purchasing shares of our common stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of shares of our common stock made by the underwriters in the open market prior to the completion of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market.

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The underwriters may conduct these transactions on the NYSE, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Offer, Sale and Distribution of Shares

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail. In addition, the underwriters may facilitate Internet distribution for this offering to certain of its Internet subscription customers. The underwriters may allocate a limited number of shares of our common stock for sale to their online brokerage customers. An electronic prospectus may be available on websites maintained by the underwriters. Other than the prospectus in electronic format, the information on the underwriters websites is not part of this prospectus.

Other Relationships

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Some of the underwriters and their respective affiliates have in the past and may in the future engage in investment banking and other commercial dealings in the ordinary course of business with us or our affiliates and may in the future receive customary fees and commissions for these transactions. In particular, contingent upon completion of this offering, we will pay a structuring fee to Raymond James & Associates of 0.35% of the total public offering price of our common stock sold in this offering in connection with certain financial analysis conducted by it in connection with this offering. We will also pay Raymond James & Associates, Inc. a fee of $1,465,000 for services rendered in connection with various financing and purchase and sale arrangements.

In addition to the underwriting discount to be received by our underwriters in connection with this offering, we expect that affiliates of Raymond James & Associates, Inc., Citigroup Global Markets Inc., Goldman, Sachs & Co., KeyBanc Capital Markets Inc. and RBC Capital Markets Corporation will be lenders under the senior secured revolving credit facility that we expect to enter into upon or shortly following completion of this offering.

In addition, on August 4, 2010, the preferred membership interest issued by CC-Encore was assigned by Encore to RJRC, LLC for consideration of $2.35 million. RJRC, LLC is a limited liability company established to make investments in real estate and related financial instruments, and is owned by certain associated persons of Raymond James & Associates, Inc., Encore and other third party investors. We will purchase the preferred membership interest for approximately $3.9 million out of the net proceeds from this offering.

In the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers, and such investment and securities activities may involve securities and/or instruments of ours. The underwriters and their

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respective affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of shares to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Directive, except that it may, with effect from and including the Relevant Implementation Date, make an offer of shares to the public in that Relevant Member State at any time:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than 43,000,000 and (3) an annual net turnover of more than 50,000,000, as shown in its last annual or consolidated accounts;

(c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the representatives for any such offer; or

(d) in any other circumstances which do not require the publication by the issuer of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of shares to the public in relation to any shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the shares to be offered so as to enable an investor to decide to purchase or subscribe the shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression Prospectus Directive means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each underwriter has represented and agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the shares in circumstances in which Section 21(1) of the FSMA does not apply to the issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in, from or otherwise involving the United Kingdom.

Hong Kong

The shares may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), or (ii) to professional investors within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules

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made thereunder, or (iii) in other circumstances which do not result in the document being a prospectus within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the SFA), (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 by a relevant person which is: (a) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired the shares under Section 275 except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (2) where no consideration is given for the transfer; or (3) by operation of law.

Japan

The shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the Financial Instruments and Exchange Law) and each underwriter has agreed that it will not offer or sell any securities, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

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LEGAL MATTERS

The validity of the common stock and certain matters of Maryland law will be passed upon for us by Saul Ewing LLP. The summary of legal matters contained in the section of this prospectus under Federal Income Tax Considerations is based on the legal opinion of Bradley Arant Boult Cummings LLP. Sidley Austin llp, New York, New York, has acted as counsel to the underwriters.

EXPERTS

The balance sheet of Campus Crest Communities, Inc. as of March 1, 2010, included herein, has been audited and reported upon by KPMG LLP, an independent registered public accounting firm. The combined financial statements and financial statement schedule III of Campus Crest Communities Predecessor as of December 31, 2009 and 2008, and for each of the years in the three-year period ended December 31, 2009, included herein, has been audited and reported upon by KPMG LLP, an independent registered public accounting firm. The financial information as of December 31, 2009 and 2008 and for each of the years in the three-year period ended December 31, 2009, in the table under Selected Historical and Pro Forma Financial Information, included herein, has been derived from financial statements audited by and reported upon by KPMG LLP. The combined statement of revenue and certain expenses of HSRE Properties for the year ended December 31, 2009, included herein, has been audited and reported upon by KPMG LLP, an independent registered public accounting firm. Such financial statements, schedule and financial data have been included herein in reliance upon the reports of KPMG LLP, independent registered public accounting firm, appearing elsewhere herein, and upon the authority of said firm as experts in accounting and auditing.

The information set forth herein under Industry Outlook is included in reliance upon Michael Gallis & Associates authority as an expert on such matters.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-11, including exhibits, schedules and amendments filed with this registration statement, under the Securities Act with respect to the shares of our common stock to be sold in this offering. This prospectus does not contain all of the information set forth in the registration statement and exhibits and schedules to the registration statement. For further information with respect to our company and the shares of our common stock to be sold in this offering, reference is made to the registration statement, including the exhibits and schedules to the registration statement. Statements contained in this prospectus as to the contents of any contract or other document referred to in this prospectus are not necessarily complete and, where that contract or document is an exhibit to the registration statement, each statement is qualified in all respects by reference to the exhibit to which the reference relates. Copies of the registration statement, including the exhibits and schedules to the registration statement, may be examined without charge at the public reference room of the SEC, 100 F Street, N.E. Room 1580, Washington, DC 20549. Information about the operation of the public reference room may be obtained by calling the SEC at 1-800-SEC-0300. Copies of all or a portion of the registration statement can be obtained from the public reference room of the SEC upon payment of prescribed fees. Our SEC filings, including our registration statement, are also available to you on the SEC s website, www.sec.gov.

As a result of this offering, we will become subject to the information and reporting requirements of the Exchange Act and will file annual, quarterly and other periodic reports and proxy statements and will make available to our stockholders annual reports containing audited financial information for each year and quarterly reports for the first three quarters of each fiscal year containing unaudited interim financial information.

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CAMPUS CREST COMMUNITIES, INC.

UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma condensed consolidated financial statements as of and for the six months ended June 30, 2010 and for the year ended December 31, 2009 are presented as if this offering by Campus Crest Communities, Inc. (the Company) of approximately million shares of its common stock, $0.01 par value per share (this offering), our formation transactions and the debt repayment transactions all had occurred on June 30, 2010 for the purposes of the unaudited pro forma condensed consolidated balance sheet and on the first day of the periods presented for the purposes of the unaudited pro forma condensed consolidated statements of operations.

The unaudited pro forma condensed consolidated financial statements have been adjusted to give effect to:

- the historical financial results of Campus Crest Communities Predecessor (as defined below), including Campus Crest Communities, Inc. for the six months ended June 30, 2010 (unaudited) and for the year ended December 31, 2009;
- our formation transactions;
- the repayment of indebtedness and other use of proceeds from this offering;
- the acquisition of certain noncontrolling interests of the Predecessor;
- the incremental general and administrative expenses to be incurred to operate as a public company;
- the probable 2010 acquisition by the Company of certain entities owned by one or more real estate ventures in which the Predecessor is a member;
- the probable 2010 acquisition by the Company of certain land under contract; and
- the election by certain of the Company s subsidiaries to be treated as taxable real estate investment trust (REIT) subsidiaries.

The unaudited pro forma condensed consolidated financial statements include adjustments relating to acquisitions only when it is probable that the Company will acquire the properties.

You should read the information below along with all other financial information and analysis presented in this prospectus, including the sections captioned Management s Discussion and Analysis of Financial Condition and Results of Operations and the Predecessor combined financial statements and related notes included elsewhere in this prospectus. The unaudited pro forma condensed consolidated financial statements are not necessarily indicative of the actual financial position of the Company as of June 30, 2010 or what the actual results of operations of the Company would have been assuming this offering and our formation transactions had been completed on the first day of the periods presented, nor are they indicative of the results of operations of future periods. The unaudited pro forma adjustments and eliminations are based on available information and upon assumptions the Company believes are reasonable.

Campus Crest Communities Predecessor (the Predecessor, we, us or our) is engaged in the business of developing, constructing, owning and managing high-quality, purpose-built student housing properties in the United States. The

Predecessor is not a legal entity, but rather a combination of certain vertically integrated operating companies under common ownership.

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CAMPUS CREST COMMUNITIES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
As of June 30, 2010
(in thousands)

	Campus Crest Communities, Inc.	Campus Crest Communities Predecessor	Repayment of debt and associated costs (A)	Acquisition of Ricker interest (B)	Acquisition of Third-Party Investor interest (C)	Acquisition of HSRE Properties (D)	Acquisition of land under contract (E)	Impact of TRS for third-party contracts (F)	This offering (G)	
t in real estate,										
using properties	$	$ 348,466	$	$	$	$ 21,934	$	$	$	$
ted depreciation		(48,403)								
ent in process		3,641					4,227			
t in real estate,		303,704				21,934	4,227			
t in uncombined		3,257				12,929				
cash equivalents		3,054	(224,377)	(26,731)	(10,711)	(26,730)	(4,227)		302,305	
cash and ts		3,770								
ceivables, net		333				7				
cess of on billings		2,781								
ts		11,474	(341)	(1,629)		70				
ts	$	$ 328,373	$ (224,718)	$ (28,360)	$ (10,711)	$ 8,210	$	$	$ 302,305	$
and equity										
and construction	$	$ 329,374	$ (212,008)	$	$	$ 14,938	$	$	$	$
redit and other		10,018	(10,018)							
rty loan		7,671				(7,671)				
payable and penses		25,954		(217)		501			(3,244)	
		267								

on billings in cost lities		8,535	(2,351)			377		128		
lities		381,819	(224,377)	(217)		8,145		128	(3,244)	
ficit):										
stock									223	
paid-in capital				(28,123)	(14,727)				310,051	
ted earnings		(54,245)	(341)			65		(128)	54,245	
lling interest		799		(20)	4,016				(58,970)	
y (deficit)		(53,446)	(341)	(28,143)	(10,711)	65		(128)	305,549	
ilities and ficit)	$	$ 328,373	$ (224,718)	$ (28,360)	$ (10,711)	$ 8,210	$	$	$ 302,305	$

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

CAMPUS CREST COMMUNITIES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the Six Months Ended June 30, 2010
(in thousands, except per share data)

	Campus Crest Communities, Inc.	Campus Crest Communities Predecessor	Repayment of debt and associated costs (AA)	Acquisition of Ricker interest (BB)	Acquisition of Third-Party Investor interest (CC)	Acquisition of HSRE Properties (DD)	Impact of TRS for third-party contracts (FF)	This offering (GG)	Pro forma
Revenues:									
Student housing leasing	$	$ 24,443	$	$	$	$ 1,543	$	$	$ 25,986
Student housing services		1,426				60			1,486
Development, construction and management services		30,738				(13,427)			17,311
Total revenues		56,607				(11,824)			44,783
Operating expenses:									
Student housing operations		13,455				774			14,229
Development, construction and management services		28,644				(12,504)			16,140
General and administrative		2,618						827	3,445
Ground leases		94							94
Depreciation and amortization		9,429				363			9,792
Total operating expenses		54,240				(11,367)		827	43,700
Equity in loss of uncombined entities		(194)				(918)			(1,112)
Operating loss		2,173				(1,375)		(827)	(29)
Nonoperating income (expense):									
Interest expense		(10,686)	3,866			1,252		1,281	(4,287)
		178	101						279

Change in fair value of interest rate derivatives									
Other income (expense)		45							45
Income taxes							(128)		(128)
Total nonoperating income (expense)		(10,463)	3,967			1,252	(128)	1,281	(4,091)
Net income (loss)		(8,290)	3,967			(123)	(128)	454	(4,120)
Net income (loss) attributable to noncontrolling interest		(5,025)		4,231	794			(288)	(288)
Net income (loss) attributable to Campus Crest Communities, Inc.	$	$ (3,265)	$ 3,967	$ (4,231)	$ (794)	$ (123)	$ (128)	$ 742	$ (3,832)
Pro forma earnings per share basic and diluted									$
Pro forma weighted average shares outstanding basic and diluted									

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

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CAMPUS CREST COMMUNITIES, INC.
UNAUDITED PRO FORMA CONDENSED CONSOLIDATED STATEMENT OF OPERATIONS
For the Year Ended December 31, 2009
(in thousands, except per share data)

	Campus Crest Communities, Inc.	Campus Crest Communities Predecessor	Repayment of debt and associated costs (AA)	Acquisition of Ricker interest (BB)	Acquisition of Third-Party Investor interest (CC)	Acquisition of HSRE Properties (DD)	Impact of TRS for third-party contracts (FF)	This offering (GG)	Pro forma
Revenues:									
Student housing leasing	$	$ 43,708	$	$	$	$ 1,313	$	$	$ 45,021
Student housing services		2,265				24			2,289
Development, construction and management services		60,711				(36,171)			24,540
Total revenues		106,684				(34,834)			71,850
Operating expenses:									
Student housing operations		23,155				552			23,707
Development, construction and management services		60,200				(35,353)			24,847
General and administrative		5,617						833	6,450
Ground leases		264							264
Write-off of pre-development costs		1,211							1,211
Depreciation and amortization		18,371				227			18,598
Total operating expenses		108,818				(34,574)		833	75,077
Equity in loss of uncombined entities		(59)				(506)			(565)
Operating loss		(2,193)				(766)		(833)	(3,792)
Nonoperating income (expense):									

Interest expense		(15,871)	7,180			45			(8,646)
Change in fair value of interest rate derivatives		797	(707)						90
Other income (expense)		44							44
Income taxes							(73)		(73)
Total nonoperating income (expense)		(15,030)	6,473			45	(73)		(8,585)
Net income (loss)		(17,223)	6,473			(721)	(73)	(833)	(12,377)
Net income (loss) attributable to noncontrolling interest		(10,486)		8,502	1,984			(864)	(864)
Net income (loss) attributable to Campus Crest Communities, Inc.	$	$ (6,737)	$ 6,473	$ (8,502)	$ (1,984)	$ (721)	$ (73)	$ 31	$ (11,513)
Pro forma earnings per share basic and diluted									$
Pro forma weighted average shares outstanding basic and diluted									

See accompanying notes to unaudited pro forma condensed consolidated financial statements.

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CAMPUS CREST COMMUNITIES, INC.

NOTES AND MANAGEMENT S ASSUMPTIONS TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(dollars in thousands)

1. Adjustments to the Unaudited Pro Forma Condensed Consolidated Balance Sheet as of June 30, 2010

(A) Reflects the repayment of mortgage and construction loans of approximately $212.0 million, lines of credit and other debt of approximately $10.0 million, early termination and settlement of interest rate swaps which, at June 30, 2010, were a liability of approximately $2.4 million. Deferred loan costs, totaling approximately $0.3 million, associated with the debt facilities being repaid, are written-off.

(B) Reflects the acquisition of the Ricker Group s noncontrolling interest in the Predecessor, and the issuance of limited partnership units (the OP Units) to the Ricker Group which will occur simultaneous with the completion of this offering. References herein to the Ricker Group shall mean Carl H. Ricker, Jr. and the vehicles through which Mr. Ricker or an affiliated party held interests in the Predecessor. The acquisition of this noncontrolling interest will be recorded as an equity transaction in accordance with FASB ASC 810-10 (prior authoritative literature Statement of Financial Accounting Standards No. 141(R), *Business Combinations*). Additionally, reflects the settlement of receivables due from Ricker Group of approximately $1.6 million and payables due to Ricker Group of approximately $0.2 million.

(C) Reflects the acquisition of the noncontrolling interest in the Predecessor held by certain third-party investors and the issuance of OP Units to certain third-party investors, which will occur simultaneous with the completion of this offering. The acquisition of this noncontrolling interest will be recorded as an equity transaction in accordance with FASB ASC 810-10.

(D) Reflects the acquisition of an increased ownership percentage in the Company s real estate venture with HSRE and the acquisition of all of HSRE s interest in The Grove at Milledgeville and The Grove at San Marcos. Reference herein to HSRE refers to Harrison Street Real Estate Capital and its affiliates that held an interest in our uncombined real estate venture. Through this acquisition, the Company expects to increase its ownership in The Grove at Milledgeville and The Grove at San Marcos to 100% and The Grove at San Angelo, The Grove at Lawrence, The Grove at Moscow, The Grove at Huntsville, The Grove at Statesboro and The Grove at Conway to 49.9% each. The following table represents the changes in net property ownership expected to occur as a result of this transaction:

Property	Net ownership interest pre-acquisition	Net ownership interest post-acquisition
The Grove at Milledgeville(1)	5%	100.0%
The Grove at San Marcos(2)	0.1%	100.0%
The Grove at San Angelo(2)	0.1%	49.9%
The Grove at Moscow(2)	0.1%	49.9%
The Grove at Lawrence(2)	0.1%	49.9%
The Grove at Huntsville(2)	0.1%	49.9%
The Grove at Conway(2)	0.1%	49.9%
The Grove at Statesboro(2)	0.1%	49.9%

(1) The Grove at Milledgeville is combined in the Predecessor s June 30, 2010 (unaudited) historical combined balance sheet and historical combined statement of operations. In November 2009, the Predecessor sold 90% of its interest in Campus Crest at Milledgeville, LLC. The transaction did not qualify as a sale under U.S. GAAP and Campus Crest at Milledgeville, LLC remained a combined entity as of June 30, 2010 and December 31, 2009.

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CAMPUS CREST COMMUNITIES, INC.

NOTES AND MANAGEMENT S ASSUMPTIONS TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(2) Properties are accounted for using the equity method of accounting in the Predecessor s June 30, 2010 (unaudited) historical combined balance sheet. In March 2010, the Predecessor sold 99% of its ownership interest in the uncombined real estate venture that owns these properties. The transaction did not qualify as a sale of an interest under U.S. GAAP, and these properties are accounted for at their pre-sale ownership interests as of June 30, 2010.

Consideration for the acquisition of the interests in these properties, the repayment of related party debt and other closing costs are expected to total approximately $28.6 million in cash and will be paid from proceeds of this offering. In accordance with FASB ASC 805-10, the assets and liabilities acquired will be recorded at their fair values on the acquisition date. The purchase price will be allocated to assets and liabilities as follows:

Investment in unconsolidated entities	$ 12,929
Investment in real estate, net	21,934
Other assets acquired	77
Indebtedness assumed	(14,938)
Other liabilities assumed	(878)
Acquisition of ownership interests	19,124
Repayment of related party debt at contracted amount	9,492
	28,616
Cash acquired San Marcos	(1,886)
Cash paid to acquire ownership interest and retire debt, net of cash acquired	$ 26,730

(E) Reflects the acquisition of interests in land at five sites currently under contract. Adjustment does not reflect construction activity; however, it is expected that each of these five sites would be completed for the 2011-2012 academic year.

(F) Certain of the Company s subsidiaries will elect to be treated as taxable REIT subsidiaries. A taxable REIT subsidiary is a corporation other than a REIT in which we directly or indirectly hold stock, and that has made a joint election with us to be treated as a taxable REIT subsidiary. Adjustment reflects the recognition of the estimated federal and state income tax liability that would have been incurred at June 30, 2010 related to the pro forma operations of the taxable REIT subsidiaries.

(G) The Company s sole stockholder is MXT Capital, LLC (MXT Capital). The Company was capitalized on March 1, 2010 for one share at par and has had no operations since its formation. Upon completion of this offering and the related formation transactions, the Company will own OP Units in Campus Crest Communities Operating Partnership, LP (the Operating Partnership). The Operating Partnership will own interests in 27 student housing properties. If this offering is successfully concluded, the Company will become a publicly owned corporation that intends to elect and qualify to be taxed as a REIT for U.S. federal income tax purposes commencing with its taxable year ending December 31, 2010.

This offering is expected to include the issuance of shares at $ per share, the mid-point of the price range set forth on the cover page of this prospectus.

Proceeds from this offering	$ 335,000
Less offering related costs	(26,950)
Net cash proceeds from this offering	$ 308,050

Approximately $4.5 million will be paid to MXT Capital, which will immediately use such amount to make capital contributions to certain noncombined entities that will, in turn, immediately use the capital contributions solely to repay indebtedness. Additionally, $1.0 million of June 30, 2010 transaction related accounts payable and other accruals will be repaid.

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CAMPUS CREST COMMUNITIES, INC.

NOTES AND MANAGEMENT S ASSUMPTIONS TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

In connection with this offering, MXT Capital, certain third-party investors and the Ricker Group will be granted OP units in exchange for their contribution of their respective ownership interests in the Predecessor. In the aggregate, these OP units are expected to equal % of the value of issued OP units at the closing of this offering.

2. Adjustments to the Unaudited Pro Forma Condensed Consolidated Statement of Operations for the Six Months Ended June 30, 2010

(AA) Reflects the reduction in interest expense on repaid debt and the mark to market adjustment on terminated interest rate swaps, respectively, at the completion of this offering. These instruments were assumed to be repaid on the first day of the period presented. Repaid debt is expected to consist of the following:

	Face Amount	Principal Outstanding at 6/30/10	Amount to be Repaid from Offering Proceeds	Stated Interest Rate	Interest Rate at 6/30/10	Maturity Date	Amortization
Construction loans							
The Grove at Mobile-Phase II	$ 15,875	$ 15,648	$ 15,648	Greater of LIBOR + 3.00% or 5.50%	5.50%	10/31/2010	Amortizing- $1.0 million due (1)
Construction Loan (nine properties) (2)	157,550	148,886	148,886	LIBOR + 1.80%	2.15%	1/31/2011	Interest only
The Grove at San Marcos (3)	15,131	14,938	14,938	LIBOR + 2.50%	5.94%	5/15/2011	Interest only
Mortgage loans							
Mortgage (six properties)	104,000	104,000	32,536	6.40%	6.40%	2/28/2013	30 years
Total		$ 283,472	$ 212,008				

(1) On the earliest to occur of the completion of this offering, the completion of a private placement of the equity interests in MXT Capital or Campus Crest Group, or October 31, 2010.

(2) At June 30, 2010, approximately $136.4 million of the loan balance is hedged with a floating to fixed interest rate swap which, when taken together with the loan interest, fixes this portion of the loan s interest rate at 6.0%.

We intend to terminate and settle this interest rate swap at the completion of the offering.

(3) Construction loan secured by The Grove at San Marcos will become a consolidated obligation of the Company upon our acquisition of the 95% ownership interest discussed in notes D and DD. This loan is expected to be repaid from offering proceeds.

(BB) Reflects the acquisition of the Ricker Group s noncontrolling interest in the Predecessor, which will be acquired simultaneously with the completion of this offering. The acquisition of this noncontrolling interest will be recorded as an equity transaction in accordance with FASB ASC 810-10.

(CC) Reflects the acquisition of the noncontrolling interest in the Predecessor held by certain third-party investors which will be acquired simultaneously with the completion of this offering. The acquisition of this noncontrolling interest will be recorded as an equity transaction in accordance with FASB ASC 810-10.

(DD) Reflects certain revenues and expenses for the six months ended June 30, 2010 related to the acquisition of an increased ownership percentage in the Company s real estate venture with HSRE and the acquisition of all of HSRE s interest in The Grove at Milledgeville and The Grove at San Marcos, as discussed in note 1, adjustment D. The unaudited combined statement of revenue and certain expenses of HSRE Properties for the six months ended June 30, 2010 is included elsewhere in this prospectus. The combined statement of revenue and certain expenses is not

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CAMPUS CREST COMMUNITIES, INC.

NOTES AND MANAGEMENT S ASSUMPTIONS TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

intended to be a complete presentation of the actual operations as expenses such as depreciation, amortization and certain corporate expenses not directly related to future operations have been excluded.

The pro forma adjustments to the historical results for the six months ended June 30, 2010 of these properties and the effect of the change in ownership is as follows:

	Six Months Ended June 30, 2010	Adjustments (1)(3)	Pro forma
Revenues-student housing revenues	$ 4,111	$ (2,508)	$ 1,603
Operating expenses:			
Student housing operations	2,672	(1,898)	774
Depreciation and amortization		363	363
Total operating expenses	2,672	(1,535)	1,137
Interest expense [2]	(1,446)	2,698	1,252
Equity in loss of unconsolidated entities [3]		(918)	(918)
Net loss	$ (7)	$ 807	$ 800

(1) Does not include impact to third-party development, construction and management services income and expenses, which is a reduction of operating income of approximately $0.9 million.

(2) Pro forma amount does not include interest expense related to funds provided by HSRE in conjunction with the sale of The Grove at Milledgeville. Such amount is included in the historical combined financial statements of the Predecessor.

(3) Reflects accounting for investments in The Grove at San Angelo, The Grove at Moscow and The Grove at Lawrence using the equity method of accounting.

(EE) Not used.

(FF) Certain of the Company s subsidiaries will elect to be treated as taxable REIT subsidiaries. Pro forma adjustment reflects the recognition of the estimated federal and state tax liability that would have been incurred during the six months ended June 30, 2010 related to the pro forma operations of the taxable REIT subsidiaries.

(GG) Reflects expected increase to general and administrative expenses as a result of becoming a public company. Expenses include incremental salaries, share-based compensation, board of directors fees, directors and officers insurance and other compliance costs. Additionally, reflects reduction of loan extension fee cost included in interest expense

Additionally, in connection with this offering, MXT Capital, certain third-party investors and the Ricker Group will be granted OP units in exchange for their contribution of their respective ownership interests in the Predecessor. In the aggregate, these OP units are expected to equal % of the value of issued OP units at the closing of this offering. Therefore, an adjustment has been made to reflect the % noncontrolling interest in the loss for the six months ended June 30, 2010.

3. Adjustments to the Unaudited Pro Forma Condensed Consolidated Statement of Operations for the Year Ended December 31, 2009

(AA) Reflects the reduction in interest expense on repaid debt and the mark to market adjustment on terminated interest rate swaps, respectively, at the completion of this offering.

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CAMPUS CREST COMMUNITIES, INC.

NOTES AND MANAGEMENT S ASSUMPTIONS TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

These instruments were assumed to be repaid on the first day of the period presented. Repaid debt is expected to consist of the following:

	Face Amount	Principal Outstanding at 12/31/09	Amount to be Repaid from Offering Proceeds	Stated Interest Rate	Interest Rate at 12/31/09	Maturity Date	Amortization
Construction loans							
The Grove at Mobile-Phase II	$ 15,875	$ 15,874	$ 15,874	Greater of LIBOR + 3.00% or 5.50%	5.50%	10/31/2010	Amortizing-$1.0 million due (1)
Construction Loan (nine properties) (2)	157,550	148,388	148,388	LIBOR + 1.80%	2.03%	1/31/2011	Interest only
The Grove at San Marcos (3)	15,131	14,123	14,004	LIBOR + 2.50%	5.94%	5/15/2011	Interest only
Mortgage loans							
Mortgage (six properties)	104,000	104,000	32,536	6.40%	6.40%	2/28/2013	30 years
Total		$ 282,385	$ 210,802				

(1) On the earliest to occur of the completion of this offering, the completion of a private placement of the equity interests in MXT Capital or Campus Crest Group, LLC, or October 31, 2010.

(2) At December 31, 2009, approximately $136.4 million of the loan balance is hedged with a floating to fixed interest rate swap which, when taken together with the loan interest, fixes this portion of the loan s interest rate at 6.0%. We intend to terminate and settle this interest rate swap at the completion of the offering.

(3) Construction loan secured by The Grove at San Marcos will become a consolidated obligation of the Company upon our acquisition of the 95% ownership interest discussed in notes D and DD. This loan is expected to be repaid from offering proceeds.

(BB) Reflects the acquisition of the Ricker Group s noncontrolling interest in the Predecessor, which will be acquired simultaneously with the completion of this offering. The acquisition of this noncontrolling interest will be recorded as an equity transaction in accordance with FASB ASC 810-10.

(CC) Reflects the acquisition of the noncontrolling interest in the Predecessor held by certain third-party investors which will be acquired simultaneously with the completion of this offering. The acquisition of this noncontrolling interest will be recorded as an equity transaction in accordance with FASB ASC 810-10.

(DD) Reflects certain revenues and expenses for the year ended December 31, 2009 related to the acquisition of an increased ownership percentage in the Company s real estate venture with HSRE and the acquisition of all of HSRE s interest in The Grove at Milledgeville and The Grove at San Marcos, as discussed in note 1, adjustment D. The audited combined statement of revenue and certain expenses of HSRE Properties for the year ended December 31, 2009 is included elsewhere in this prospectus. The combined statement of revenue and certain expenses is not intended to be a complete presentation of the actual operations as expenses such as depreciation, amortization and certain corporate expenses not directly related to future operations have been excluded.

CAMPUS CREST COMMUNITIES, INC.

NOTES AND MANAGEMENT S ASSUMPTIONS TO UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The pro forma adjustments to the 2009 historical results of these properties and the effect of the change in ownership is as follows:

	Year Ended December 31, 2009	Adjustments (1)(3)	Pro forma
Revenues-student housing revenues	$ 3,131	$ (1,794)	$ 1,337
Operating expenses:			
Student housing operations	1,698	(1,146)	552
Depreciation and amortization		227	227
Total operating expenses	1,698	(919)	779
Interest expense (2)	(1,009)	1,054	45
Equity in loss of unconsolidated entities (3)		(506)	(506)
Net loss	$ 424	$ (327)	$ 97

(1) Does not include impact to third-party development, construction and management services income and expenses, which is a reduction of operating income of approximately $0.8 million.

(2) Pro forma amount does not include interest expense related to funds provided by HSRE in conjunction with the sale of The Grove at Milledgeville. Such amount is included in the historical combined financial statements of the Predecessor.

(3) Reflects accounting for investments in The Grove at San Angelo, The Grove at Moscow and The Grove at Lawrence using the equity method of accounting.

(EE) Not used.

(FF) Certain of the Company s subsidiaries will elect to be treated as taxable REIT subsidiaries. Pro forma adjustment reflects the recognition of the estimated federal and state tax liability that would have been incurred during the year ended December 31, 2009 related to the pro forma operations of the taxable REIT subsidiaries.

(GG) Reflects expected increase to general and administrative expenses as a result of becoming a public company. Expenses include incremental salaries, share-based compensation, board of directors fees, directors and officers insurance and other compliance costs.

Additionally, in connection with this offering, MXT Capital, certain third-party investors and the Ricker Group will be granted OP units in exchange for their contribution of their respective ownership interests in the Predecessor. In the aggregate, these OP units are expected to equal % of the value of issued OP units at the closing of this offering. Therefore, an adjustment has been made to reflect the % noncontrolling interest in the loss for the year ended December 31, 2009.

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Campus Crest Communities, Inc.:

We have audited the accompanying balance sheet of Campus Crest Communities, Inc. (the Company) as of March 1, 2010. This financial statement is the responsibility of the Company s management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the balance sheet is free of material misstatement. An audit of a balance sheet includes examining, on a test basis, evidence supporting the amounts and disclosures in that balance sheet, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall balance sheet presentation. We believe that our audit of the balance sheet provides a reasonable basis for our opinion.

In our opinion, the balance sheet referred to above presents fairly, in all material respects, the financial position of Campus Crest Communities, Inc. as of March 1, 2010, in conformity with U.S. generally accepted accounting principles.

Atlanta, Georgia
May 14, 2010
/s/ KPMG LLP

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CAMPUS CREST COMMUNITIES, INC.

BALANCE SHEETS
(in thousands, except shares and par value)

	As of June 30, 2010 (unaudited)	As of March 1, 2010
Assets		
Cash and total assets	$	$
Liabilities and Stockholder s Equity		
Liabilities	$	$
Stockholder s equity:		
Preferred stock, $0.01 par value per share; 10,000,000 shares authorized; 0 shares issued and outstanding		
Common stock, $0.01 par value per share; 90,000,000 shares authorized; 1 share issued and outstanding		
Retained earnings		
Total stockholder s equity		
Total liabilities and stockholder s equity	$	$

See accompanying notes to balance sheets.

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CAMPUS CREST COMMUNITIES, INC.

NOTES TO BALANCE SHEETS

1. Organization

The Company was incorporated in the State of Maryland and capitalized with the issuance of one share at par on March 1, 2010. The Company intends to file a registration statement on Form S-11 with the Securities and Exchange Commission in connection with this offering. The Company will own, through both general partner and limited partner interests, Campus Crest Communities Operating Partnership, LP (the Operating Partnership).

The Company has had no operations since its formation. Our formation transactions are designed to:

- consolidate the ownership of our properties and the student housing business of the Predecessor into the Operating Partnership and its wholly-owned subsidiaries; and

- facilitate this offering.

The Operating Partnership will own interests in 27 student housing properties. If this offering is successfully concluded, the Company will become a publicly owned corporation that intends to elect and qualify to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with its taxable year ending December 31, 2010.

2. Federal Income Tax

In connection with this offering, the Company intends to elect to be treated as a REIT under Sections 856 through 859 of the Internal Revenue Code commencing with the Company s taxable year ending on December 31, 2010. The Company s qualification as a REIT depends upon its ability to meet on a continuing basis, through actual investment and operating results, various complex requirements under the Internal Revenue Code relating to, among other things, the sources of the Company s gross income, the composition and values of its assets, its distribution levels and the diversity of ownership of its stock. The Company believes that it will be organized in conformity with the requirements for qualification and taxation as a REIT under the Internal Revenue Code and that the Company s intended manner of operation will enable it to meet the requirements for qualification and taxation as a REIT.

As a REIT, the Company generally will not be subject to U.S. federal income tax on taxable income that it distributes currently to its stockholders. If the Company fails to qualify as a REIT in any taxable year and does not qualify for certain statutory relief provisions, the Company will be subject to U.S. federal income tax at regular corporate rates and generally will be precluded from qualifying as a REIT for the subsequent four taxable years following the year during which it lost its REIT qualification. Accordingly, the Company s failure to qualify as a REIT could materially and adversely affect it, including its ability to make distributions to its stockholders in the future. Even if the Company qualifies as a REIT, it may be subject to some U.S. federal, state and local taxes on its income or property and the income of its taxable REIT subsidiaries will be subject to taxation at normal corporate rates.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder
Campus Crest Communities Predecessor:

We have audited the accompanying combined balance sheets of Campus Crest Communities Predecessor as of December 31, 2009 and 2008, and the related combined statements of operations, changes in equity (deficit), and cash flows for each of the years in the three-year period ended December 31, 2009. In connection with our audits of the combined financial statements, we also have audited financial statement Schedule III. These combined financial statements and financial statement Schedule III are the responsibility of the Company s management. Our responsibility is to express an opinion on these combined financial statements and financial statement Schedule III based on our audits.

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

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Campus Crest Communities Predecessor as of December 31, 2009 and 2008, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2009, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the related financial statement Schedule III, when considered in relation to the basic combined financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

Atlanta, Georgia
May 14, 2010
/s/ KPMG LLP

CAMPUS CREST COMMUNITIES PREDECESSOR

COMBINED BALANCE SHEETS

	June 30, 2010 (unaudited)	December 31, 2009	2008
		(in thousands)	
Assets			
Investment in real estate, net:			
Student housing properties	$ 348,466	$ 347,157	$ 326,217
Accumulated depreciation	(48,403)	(38,999)	(20,794)
Development in process	3,641	3,300	15,742
Investment in real estate, net	303,704	311,458	321,165
Investment in uncombined entity	3,257	2,980	776
Cash and cash equivalents	3,054	2,902	11,041
Restricted cash and investments	3,770	3,377	4,134
Student receivables, net of allowance for doubtful accounts of $133, $653 and $401, respectively	333	577	498
Cost in excess of construction billings	2,781	3,938	
Other assets	11,474	6,564	4,541
Total assets	$ 328,373	$ 331,796	$ 342,155
Liabilities and equity (deficit)			
Liabilities:			
Mortgage and construction loans	$ 329,374	$ 329,102	$ 322,426
Lines of credit and other debt	10,018	9,978	9,237
Related party loan	7,671	4,092	
Accounts payable and accrued expenses	25,954	20,029	17,311
Construction billings in excess of cost	267		2,049
Other liabilities	8,535	11,311	13,246
Total liabilities	381,819	374,512	364,269
Equity (deficit):			
Owner s deficit	(54,245)	(50,090)	(42,502)
Noncontrolling interest	799	7,374	20,388
Total deficit	(53,446)	(42,716)	(22,114)
Commitments and contingencies			
Total liabilities and equity (deficit)	$ 328,373	$ 331,796	$ 342,155

See accompanying notes to combined financial statements.

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CAMPUS CREST COMMUNITIES PREDECESSOR

COMBINED STATEMENTS OF OPERATIONS

	Six Months Ended June 30,		Year Ended December 31,		
	2010	2009	2009	2008	2007
	(unaudited)				
			(in thousands)		
Revenues:					
Student housing leasing	$ 24,443	$ 21,219	$ 43,708	$ 30,813	$ 15,598
Student housing services	1,426	1,011	2,265	798	110
Development, construction and management services	30,738	37,258	60,711	2,505	
Total revenues	56,607	59,488	106,684	34,116	15,708
Operating expenses:					
Student housing operations	13,455	11,416	23,155	14,890	7,470
Development, construction and management services	28,644	35,693	60,200	2,147	
General and administrative	2,618	2,454	5,617	5,422	3,467
Ground leases	94	96	264	224	40
Write-off of pre-development costs			1,211	203	
Depreciation and amortization	9,429	9,115	18,371	13,573	5,765
Total operating expenses	54,240	58,774	108,818	36,459	16,742
Equity in loss of uncombined entities	(194)		(59)		
Operating income (loss)	2,173	714	(2,193)	(2,343)	(1,034)
Nonoperating income (expense):					
Interest expense	(10,686)	(7,369)	(15,871)	(14,946)	(6,583)
Change in fair value of interest rate derivatives	178	2,680	797	(8,758)	(2,115)
Other income (expense)	45	(19)	44	(50)	100
Total nonoperating expenses	(10,463)	(4,708)	(15,030)	(23,754)	(8,598)
Net loss	(8,290)	(3,994)	(17,223)	(26,097)	(9,632)
Net loss attributable to noncontrolling interest	(5,025)	(2,060)	(10,486)	(870)	(2,083)
Net loss attributable to Predecessor	$ (3,265)	$ (1,934)	$ (6,737)	$ (25,227)	$ (7,549)

See accompanying notes to combined financial statements.

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CAMPUS CREST COMMUNITIES PREDECESSOR

COMBINED STATEMENTS OF CHANGES IN EQUITY (DEFICIT)

	Owner s deficit	Noncontrolling interest	Total
		(in thousands)	
Equity (deficit), December 31, 2006	$ (4,974)	$ 9,918	$ 4,944
Contributions		22,823	22,823
Distributions	(2,066)	(1,182)	(3,248)
Net loss	(7,549)	(2,083)	(9,632)
Equity (deficit), December 31, 2007	(14,589)	29,476	14,887
Contributions	1,402	6,567	7,969
Distributions	(4,088)	(14,785)	(18,873)
Net loss	(25,227)	(870)	(26,097)
Equity (deficit), December 31, 2008	(42,502)	20,388	(22,114)
Contributions		924	924
Distributions	(851)	(3,452)	(4,303)
Net loss	(6,737)	(10,486)	(17,223)
Equity (deficit), December 31, 2009	(50,090)	7,374	(42,716)
Contributions	241	405	646
Distributions	(1,131)	(1,955)	(3,086)
Net loss	(3,265)	(5,025)	(8,290)
Equity (deficit), June 30, 2010 (unaudited)	$ (54,245)	$ 799	$ (53,446)

See accompanying notes to combined financial statements.

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CAMPUS CREST COMMUNITIES PREDECESSOR

COMBINED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
	(unaudited)	(unaudited)		(in thousands)	
Operating activities:					
Net loss	$ (8,290)	$ (3,994)	$ (17,223)	$ (26,097)	$ (9,632)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:					
Depreciation and amortization	9,429	9,115	18,371	13,573	5,765
Amortization of deferred financing costs	318	317	828	798	305
Loss on disposal of property					674
Accretion of interest expense	1,376		220		
Bad debt expense	304	560	1,639	1,047	292
Write-off of pre-development costs			1,211	203	
Unrealized (gain) loss on interest rate derivatives	(2,893)	(2,990)	(3,480)	7,414	2,115
Equity in loss of uncombined entities	194		59		
Changes in operating assets and liabilities:					
Restricted cash and investments	(393)	1,131	757	(1,346)	(2,309)
Student receivables, net	(60)	(400)	(1,718)	(1,314)	(409)
Change in construction billings	527	210	(5,987)	2,049	
Accounts payable and accrued expenses	6,586	6,953	11,026	1,537	783
Other	(4,359)	(8,834)	(1,350)	3,400	1,207
Net cash provided by (used in) operating activities	2,739	2,068	4,353	1,264	(1,209)
Investing activities:					
Investments in development in process	(694)	(11,373)	(19,655)	(145,344)	(111,235)
Investments in student housing properties	(1,766)	(82)	(1,387)	(1,676)	(1,382)
Investments in uncombined entities	(202)	(1,297)	(2,388)	(776)	
Purchase of corporate fixed assets		(78)	(122)	(589)	(426)
Net cash used in investing activities	(2,662)	(12,830)	(23,552)	(148,385)	(113,043)
Financing activities:					
Proceeds from construction loans	497	9,330	9,826	140,921	86,317
Proceeds from mortgage loans				104,600	27,310
Proceeds from lines of credit and related party loans	2,290	4,395	13,703	8,967	12,027
Principal payments on construction loans	(225)			(90,000)	(12,282)
	(47)	(5,816)	(9,090)	(6,308)	(6,220)

Payments on lines of credit and related party loans					
Debt issuance costs				(2,495)	(666)
Contributions from owner	241	795		1,402	
Contributions from noncontrolling interest	405		924	6,567	22,823
Distributions to owner	(1,131)	(1,241)	(851)	(4,088)	(2,066)
Distributions to noncontrolling interest	(1,955)	(1,940)	(3,452)	(14,785)	(1,182)
Net cash provided by financing activities	75	5,523	11,060	144,781	126,061
Net change in cash and cash equivalents	152	(5,239)	(8,139)	(2,340)	11,809
Cash and cash equivalents at beginning of period	2,902	11,041	11,041	13,381	1,572
Cash and cash equivalents at end of period	$ 3,054	$ 5,802	$ 2,902	$ 11,041	$ 13,381
Supplemental disclosure of cash flow information:					
Interest paid	$ 7,604	$ 6,948	$ 16,491	$ 16,330	$ 7,804
Non-cash investing and financing activity:					
Conversion of note payable to equity interest	$	$ 600	$ 600	$	$
Change in payables related to capital expenditures	$ (661)	$ (4,011)	$ (8,308)	$ (6,575)	$ 15,367
Accrued costs related to investments in uncombined entities	$ (225)	$	$	$	$
Contribution to real estate venture:					
Land	$	$ 3,025	$ 3,025	$	$
Construction loan	$	$ 2,550	$ 2,550	$	$

See accompanying notes to combined financial statements.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS

1. Organization and Description of Business

Campus Crest Communities Predecessor (the Predecessor) is engaged in the business of developing, constructing, owning and managing high-quality, purpose-built student housing properties in the United States. The Predecessor is not a legal entity, but rather a combination of certain vertically integrated operating companies under common ownership. The Predecessor reflects the historical combination of all facets of business operations of the student housing related entities of Campus Crest Group, LLC (CCG) including the development, construction, ownership and management of student housing properties. CCG controls, through its subsidiaries, the operations of each of these entities included in these combined financial statements:

Campus Crest Development, LLC;

Campus Crest Construction, LLC;

The Grove Student Properties, LLC (d/b/a Campus Crest Real Estate Management); and

Campus Crest Properties, LLC and its subsidiaries, including certain limited liability companies and limited partnerships that have varying ownership interests in 27 student housing properties located on or near 26 colleges and universities in 11 states.

The following table illustrates the number of properties, both operating and under construction, at June 30, 2010 (unaudited) and at December 31, 2009, 2008 and 2007:

	June 30, 2010 (unaudited)		
	Properties in operation	Properties under construction	Effective ownership percentage
Combined entities [1]	20		5-52%
Uncombined entities[2]	4	3	0.1-10%
Total	24	3	

	December 31, 2009		
	Properties in operation	Properties under construction	Effective ownership percentage
Combined entities [1]	20		5-52%
Uncombined entities	4	3	5-10%
Total	24	3	

	December 31, 2008		
	Properties in operation	Properties under construction	Effective ownership percentage
Combined entities	19	1	30-52%
Uncombined entities		3	10%
Total	19	4	

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

	December 31, 2007		
	Properties in operation	Properties under construction	Effective ownership percentage
Combined entities	10	10	30-52%

(1) In November 2009, we sold 90% of our ownership interest in Campus Crest at Milledgeville, LLC. The transaction did not qualify as a sale under U.S. GAAP and Campus Crest at Milledgeville, LLC remained a combined entity as of June 30, 2010 (unaudited) and December 31, 2009. See note 7.

(2) In March 2010, we sold 99% of our ownership interest in the uncombined real estate venture that owns these entities. The transaction did not qualify as a sale of an interest under U.S. GAAP and the affected entities are accounted for at their pre-sale net ownership interests as of June 30, 2010. See notes 14 and 15.

Campus Crest Communities, Inc. (the Company) was incorporated in the State of Maryland on March 1, 2010. The Company intends to file a registration statement on Form S-11 with the Securities and Exchange Commission in connection with this offering. The Company will own, through both general partner and limited partner interests, Campus Crest Communities Operating Partnership, LP (the Operating Partnership).

The Company has had no operations since its formation. Our formation transactions are designed to:

consolidate the ownership of our properties and the student housing business of the Predecessor into the Operating Partnership and its wholly-owned subsidiaries; and

facilitate this offering.

The Operating Partnership will own interests in 27 student housing properties. If this offering is successfully concluded, the Company will become a publicly owned corporation that intends to elect and qualify to be taxed as a real estate investment trust, or REIT, for U.S. federal income tax purposes commencing with its taxable year ending December 31, 2010.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Predecessor reflects a combination of certain student housing related activities that are commonly controlled by CCG. Due to their common control, the financial statements of the separate entities which own the properties are presented on a combined basis. The accompanying combined financial statements have been prepared in accordance with United States (U.S.) generally accepted accounting principles (GAAP) and include the accounts of the Predecessor and its subsidiaries, including ventures in which we have a controlling interest. Interests in the consolidated entities which are not wholly owned by the Predecessor are reflected as noncontrolling interests in the combined financial statements. We also have an interest in an uncombined entity which has ownership in several property owning entities which is accounted for under the equity method. All significant intercompany balances and transactions have been eliminated.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant assumptions and estimates are used by management in recognizing construction and development revenue under the percentage of completion method, useful lives of student housing properties, valuation of investment in real estate, fair value of financial assets and liabilities, including derivatives, and allowance for doubtful accounts. It is at least reasonably possible that these estimates could change in the near term.

Investment in Real Estate

Investment in real estate is recorded at historical cost. Major improvements that extend the life of an asset are capitalized and depreciated over a period equal to the shorter of the life of the improvement or the remaining useful life of the asset. The cost of ordinary repairs and maintenance are charged to expense when incurred. Depreciation and amortization are recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	40 years
Improvements	20 years
Furniture, fixtures and equipment	3-10 years

The cost of buildings and improvements includes all pre-development, entitlement and project costs directly associated with the development and construction of a real estate project, which include interest, property taxes, and deferred financing costs recognized while the project is under construction. Additionally, the Predecessor capitalizes certain internal costs related to the development and construction of its student housing properties. All costs are capitalized as development in process until the asset is ready for its intended use, which is typically at the completion of the project. Upon completion, costs are transferred into the applicable asset category and depreciation commences. Interest totaling approximately $0.4 million, $1.8 million and $1.9 million was capitalized during the years ended December 31, 2009, 2008 and 2007, respectively.

Pre-development costs are capitalized until such time that management believes it is no longer probable that a contract will be executed and/or construction will commence. Because we frequently incur these pre-development expenditures before a financing commitment and/or required permits and authorizations have been obtained, we bear the risk of loss of these pre-development expenditures if financing cannot ultimately be arranged on acceptable terms or we are unable to successfully obtain the required permits and authorizations. As such, management evaluates the status of projects where we have not yet acquired the target property or where we have not yet commenced construction on a periodic basis and writes off any pre-development costs related to projects whose current status indicates the acquisition or commencement of construction is not probable. Such write-offs are included within operating expenses in the accompanying combined statements of operations. As of June 30, 2010 (unaudited) and December 31, 2009 and 2008, we have deferred approximately $3.6 million, $3.3 million and $2.9 million, respectively, in pre-development costs related to development projects that have not yet been acquired or for which construction has not commenced. Such costs are included in development in process on the accompanying combined balance sheets.

CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Management assesses whether there has been impairment in the value of our investment in real estate whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of investment in real estate is measured by a comparison of the carrying amount of a student housing property to the estimated future undiscounted cash flows expected to be generated by the property. Impairment is recognized when estimated future undiscounted cash flows are less than the carrying value of the property. The estimation of future undiscounted cash flows is inherently uncertain and relies on assumptions regarding current and future economics and market conditions. If such conditions change, then an adjustment to the carrying value of our long-lived assets could occur in the future period in which conditions change. To the extent that a property is impaired, the excess of the carrying amount of the property over its estimated fair value is charged to operating earnings. Fair value is determined based upon the discounted cash flows of the property, quoted market prices or independent appraisals, as considered necessary.

Ground Leases

Ground lease expense is recognized on a straight-line basis over the term of the related lease.

Cash and Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less to be cash equivalents. We maintain cash balances in various banks. At times our balances may exceed the amount insured by the Federal Deposit Insurance Corporation (FDIC). As of June 30, 2010 (unaudited), December 31, 2009 and 2008, our deposits were covered under FDIC insurance. We do not believe cash and cash equivalents expose us to any significant credit risk.

Restricted Cash and Investments

Restricted cash includes escrow accounts held by lenders and resident security deposits as required by law in certain states. In certain instances, restricted cash consists of funds, required by a counter-party to our derivative contracts, to serve as collateral for future settlements of those derivative contracts. These funds are held in an interest bearing account covered under FDIC insurance. Restricted investments include certificates of deposit that do not qualify as cash equivalents and are required to be maintained by our lenders.

Deferred Financing Costs

We defer costs incurred in obtaining financing and amortize the costs over the terms of the related loans using the effective interest method. Upon repayment of or in conjunction with a material change in the terms of the underlying debt agreement, any unamortized costs are charged to earnings. Deferred financing costs, net of amortization, are included in other assets on the accompanying combined balance sheets.

Noncontrolling Interest

Noncontrolling interest is the portion of equity in the Predecessor s combined subsidiaries which is not attributable to the owner. Accordingly, noncontrolling interests are reported as a component of equity in the accompanying combined balance sheets but separate from owner s deficit. On the combined statements of operations, operating results are reported at the combined amount, including both the amount attributable to us and to noncontrolling interests.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Real Estate Ventures

We hold interests in all properties, both under development and in operation, through interests in both combined and uncombined real estate ventures. The Predecessor assesses its investments in real estate ventures in accordance with applicable guidance under U.S. GAAP to determine if a venture is a Variable Interest Entity (VIE). We consolidate entities that are defined as VIEs and for which we are determined to be the primary beneficiary. In instances where we are not the primary beneficiary, we do not consolidate the entity for financial reporting purposes. For entities that are not defined as VIEs, management first considers whether we are the general partner or a limited partner (or the equivalent in such investments which are not structured as partnerships). We consolidate entities where we are the general partner (or the equivalent) and the limited partners (or the equivalent) in such investments do not have rights which would preclude control and, therefore, consolidation for financial reporting purposes.

For entities where we are the general partner (or the equivalent) but do not control the real estate venture, as the other partners (or the equivalent) hold substantive participating rights, we use the equity method of accounting. For entities where we are a limited partner (or the equivalent), management considers factors such as ownership interest, voting control, authority to make decisions, and contractual and substantive participating rights of the partners (or the equivalent) to determine if the presumption that the general partner controls the entity is overcome. In instances where these factors indicate we control the entity, we consolidate the entity; otherwise we record our investment using the equity method of accounting.

Under the equity method, investments are initially recognized in the balance sheet at cost and are subsequently adjusted to reflect our proportionate share of net earnings or losses of the entity, distributions received, contributions, and certain other adjustments, as appropriate. When circumstances indicate there may have been a loss in value of an equity method investment, we evaluate the investment for impairment by estimating our ability to recover the investment from future expected discounted cash flows. If we determine the loss in value is other than temporary, we recognize an impairment charge to reflect the investment at fair value.

CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

The following is a list of combined and uncombined entities which are not wholly-owned, both operating and under construction, as of June 30, 2010 (unaudited) and December 31, 2009. Each of these entities owns a property called The Grove that of which is located in the city or town referred to in the entity name:

Entities	Year Opened	Effective Ownership Percentage at June 30, 2010 (unaudited)	Effective Ownership Percentage at December 31, 2009
Combined Entities			
Campus Crest at Asheville, LLC	2005	40%	40%
Campus Crest at Carrollton, LLC	2006	38%	38%
Campus Crest at Las Cruces, LLC	2006	30%	30%
Campus Crest at Milledgeville, LLC (1)(2)	2006	5%	5%
Campus Crest at Abilene, LP	2007	38%	38%
Campus Crest at Ellensburg, LLC	2007	36%	36%
Campus Crest at Greeley, LLC	2007	30%	30%
Campus Crest at Jacksonville AL, LLC	2007	37%	37%
Campus Crest at Mobile, LLC	2007	37%	37%
Campus Crest at Nacogdoches, LP	2007	38%	38%
Campus Crest at Cheney, LLC	2008	52%	52%
Campus Crest at Jonesboro, LLC	2008	42%	42%
Campus Crest at Lubbock, LP	2008	40%	40%
Campus Crest at Mobile Phase II, LLC	2008	37%	37%
Campus Crest at Stephenville, LP	2008	52%	52%
Campus Crest at Troy, LLC	2008	52%	52%
Campus Crest at Waco, LP	2008	52%	52%
Campus Crest at Wichita, LLC	2008	42%	42%
Campus Crest at Wichita Falls, LP	2008	52%	52%
Campus Crest at Murfreesboro, LLC (3)	2009	52%	52%
Uncombined Entities			
Campus Crest at Lawrence, LLC (2)(5)	2009	0.1%	10%
Campus Crest at Moscow, LLC (2)(3)(5)	2009	0.1%	5%
Campus Crest at San Angelo, LP (2)(3)(5)	2009	0.1%	5%
Campus Crest at San Marcos, LP (2)(3)(5)	2009	0.1%	5%
Campus Crest at Huntsville, LP (2)(4)(5)	2010	0.1%	10%
Campus Crest at Conway, LLC (2)(4)(5)	2010	0.1%	10%
Campus Crest at Statesboro, LLC (2)(4)(5)	2010	0.1%	10%

(1)

In November 2009, we sold 90% of our ownership interest in Campus Crest at Milledgeville, LLC. The transaction did not qualify as a sale under U.S. GAAP and Campus Crest at Milledgeville, LLC remained a combined entity as of June 30, 2010 (unaudited) and December 31, 2009. See note 7.

(2) Entity is wholly-owned by a real estate venture in which the Predecessor is a member.

(3) Asset under construction at December 31, 2008.

(4) Asset under construction at June 30, 2010 (unaudited) and December 31, 2009. Completion and occupancy are expected for the 2010-2011 academic year.

(5) In March 2010, we sold 99% of our ownership interest in the uncombined real estate venture that owns these entities. The transaction did not qualify as a sale of an interest under U.S. GAAP and the affected entities are accounted for at their pre-sale net ownership interests as of June 30, 2010. See notes 14 and 15.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Student Housing Revenue

Students are required to execute lease contracts with payment schedules that vary from annual to monthly payments. We recognize revenues and related lease incentives on a straight-line basis over the term of the lease contracts. Generally, each executed contract is required to be accompanied by a signed parental guaranty. Amounts received in advance of the occupancy period are recorded as deferred revenues and included in other liabilities on the accompanying combined balance sheets. Service revenue is recognized when earned.

Segments

We have identified two reportable business segments: student housing operations and development, construction and management services. We evaluate the performance of our operating segments based on operating income (loss). All inter-segment sales pricing is based on current market conditions. Operating segments that do not individually meet the aggregation criteria described in the accounting guidance may be combined with other operating segments that do not individually meet the aggregation criteria to form a separate reportable segment. We have combined all of our operating segments that do not individually meet the aggregation criteria established in the accounting guidance to form the unallocated corporate amounts segment for our segment reporting. Unallocated corporate amounts include general expenses associated with managing our two reportable operating segments.

Development, Construction and Management Services

Development and construction service revenue is recognized using the percentage of completion method, as determined by construction costs incurred relative to total estimated construction costs. Any changes in significant judgments and/or estimates used in determining construction and development revenue could significantly change the timing or amount of construction and development revenue recognized. Costs in excess of construction billings are expected to be collected within one year.

Development and construction service revenue is recognized for contracts with entities we do not combine. For projects where the revenue is based on a fixed price, any cost overruns incurred during construction, as compared to the original budget, will reduce the net profit ultimately recognized on those projects. Profit derived from these projects is eliminated to the extent of the Predecessor s ownership interest in the uncombined entity. Any incentive fees, net of the impact of our ownership interest if the entity is an uncombined entity, are recognized when the project is complete and performance has been agreed upon by all parties, or when performance has been verified by an independent third party. When total development or construction costs at completion exceed the fixed price set forth within the related contract, such cost overruns are recorded as additional investment in the uncombined entity.

Management fees, net of elimination to the extent of our ownership in uncombined entities, are recognized when earned in accordance with each management contract for entities we do not combine. Incentive management fees are recognized when the incentive criteria are met.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Allowance for Doubtful Accounts

Allowances for student receivables are established when management determines that collections of such receivables are doubtful. Balances are considered past due when payment is not received on the contractual due date. When management has determined that receivables are uncollectible, they are written off against the allowance for doubtful accounts.

The allowance for doubtful accounts is summarized as follows (amounts in thousands):

Year Ended December 31:	Balance at Beginning of Period	Charged to Expense	Write-Offs	Balance at End of Period
2007	$ (77)	$ (292)	$ 81	$ (288)
2008	$ (288)	$ (1,047)	$ 934	$ (401)
2009	$ (401)	$ (1,639)	$ 1,387	$ (653)
Six Months Ended June 30:				
2010 (unaudited)	$ (653)	$ (304)	$ 824	$ (133)

Marketing and Advertising Costs

Marketing and advertising costs are expensed during the period incurred. Marketing and advertising expenses approximated $1.6 million, $1.4 million and $1.5 million for the years ended December 31, 2009, 2008, and 2007, respectively.

Derivative Instruments and Hedging Activities

In certain instances, interest rate swap agreements used to manage floating interest rate exposure are executed with respect to amounts borrowed, or forecasted to be borrowed, under credit facilities. These contracts effectively exchange existing or forecasted obligations to pay interest based on floating rates for obligations to pay interest based on fixed rates. All derivative instruments are recognized as either assets or liabilities on the combined balance sheet at their respective fair values. Our derivatives have not met the requirements for hedge accounting treatment; therefore, all gains and losses related to derivative instruments are recorded in the combined statements of operations as a component of change in fair value of interest rate derivatives. Also included within this line item are any required monthly settlements on the swaps as well as all cash settlements paid.

Fair Value of Financial Instruments

Financial instruments consist primarily of cash, cash equivalents, investments, student receivables, interest rate swaps, accounts payable, mortgages, construction notes payable and lines of credit. The carrying value of cash, cash equivalents, investments, student receivables, accounts payable and lines of credit and other debt are representative of their respective fair values due to the short-term nature of these instruments. The estimated fair values of mortgages, construction loans and lines of credit are determined by comparing current borrowing rates and risk spreads offered in the market to the stated interest rates and spreads on our current mortgages, construction loans and lines of credit. The fair value of mortgage and construction loans as well as lines of credit are disclosed in note 9.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

The fair value of the interest rate swaps is determined using widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of the derivative. This analysis reflects the contractual terms of the derivative, including the period to maturity, and uses observable market-based inputs, including interest rate curves, implied volatilities and the creditworthiness of the swap counterparties.

On January 1, 2008, the Predecessor adopted guidance for accounting for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the combined financial statements on a recurring basis. On January 1, 2009, the Predecessor adopted guidance for fair value measurement related to nonfinancial items that are recognized and disclosed at fair value in the combined financial statements on a nonrecurring basis. The guidance establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 Observable inputs, such as quoted prices in active markets at the measurement date for identical, unrestricted assets or liabilities.

Level 2 Other inputs that are observable directly or indirectly, such as quoted prices in markets that are not active or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liability.

Level 3 Unobservable inputs for which there is little or no market data and which the Predecessor makes its own assumptions about how market participants would price the asset or liability.

Fair value is defined as the price that would be received when selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). In instances where inputs used to measure fair value fall into different levels of the fair value hierarchy, the level in the fair value hierarchy within which the fair value measurement in its entirety has been determined is based on the lowest level input significant to the fair value measurement in its entirety. Our assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Interest rate swaps measured at fair value are as follows (amounts in thousands):

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**	**Balance at June 30, 2010 (unaudited)**
Other liabilities:				
Interest rate swaps	$	$ (3,156)	$	$ (3,156)

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31,
Other liabilities:				
2009-Interest rate swaps	$	$ (6,049)	$	$ (6,049)
2008-Interest rate swaps	$	$ (9,529)	$	$ (9,529)

Commitments and Contingencies

Liabilities for loss contingencies, arising from claims, assessments, litigation, fines, penalties and other sources, are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

Income Taxes

The combined entities of the Predecessor are all limited liability companies or limited partnerships and have elected to be taxed as partnerships for Federal income tax purposes. Therefore, no provision for income taxes has been recorded since all income and losses of the Predecessor are allocated to the owners for inclusion in their respective tax returns.

Other Comprehensive Income

We have no elements of other comprehensive income. As a result, there is no difference between net loss as shown in the combined statements of operations and comprehensive loss.

Recent Accounting Pronouncements

In December 2007, the FASB issued new accounting guidance which establishes accounting and reporting standards for the noncontrolling interest in a subsidiary (previously referred to as minority interest). It also requires that a retained noncontrolling interest upon the deconsolidation of a subsidiary be initially measured at its fair value. We are required to report any noncontrolling interests as a separate component of equity and present any net income allocable to noncontrolling interests and net income attributable to the Predecessor separately in the combined statements of operations. As required, we adopted this new guidance beginning January 1, 2009. As a result of adoption, the former minority interest classification was eliminated and related amounts are now reflected as a component of equity. Additionally, during 2009, noncontrolling interests were attributed the full amount of their portion of any net losses. Previously, they were only allocated losses up to their remaining investment balances. It requires retroactive adoption of the presentation and disclosure requirements for existing minority interests. All other requirements are applied prospectively.

In March 2008, the FASB issued new accounting guidance requiring enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for, and how derivative instruments and related hedged items affect an entity s financial position, financial performance, and cash flows. The Predecessor adopted the new guidance beginning January 1, 2009. The adoption did not have a significant effect on our combined financial statements.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

In April 2009, the FASB issued new accounting guidance requiring disclosure of the fair value of all financial instruments (recognized or unrecognized) when practicable to do so. These fair value disclosures must be presented together with the related carrying amount of the financial instruments in a manner that clearly distinguishes between assets and liabilities and indicates how the carrying amounts relate to the amounts reported on the balance sheet. The new guidance is effective for interim reporting periods ending after June 15, 2009. The adoption did not have a material impact on our combined financial statements.

In May 2009, the FASB issued new accounting guidance regarding subsequent events. The new guidance sets forth the period after the balance sheet date during which management should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements, the circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and disclosures that an entity should make about events or transactions that occurred after the balance sheet date. The Predecessor adopted this guidance during 2009, and the adoption did not have a material impact on our combined financial statements.

In June 2009, the FASB issued new accounting guidance changing the consolidation analysis for VIEs and requiring a qualitative analysis to determine the primary beneficiary. The determination of the primary beneficiary of a VIE is based on whether the entity has the power to direct matters which most significantly impact the activities of the VIE and has the obligation to absorb losses, or the right to receive benefits, of the VIE which could potentially be significant to the VIE. It requires additional disclosures for VIEs, including disclosures about a reporting entity s involvement with VIEs, how a reporting entity s involvement with a VIE affects the reporting entity s financial statements, and significant judgments and assumptions made by the reporting entity to determine whether it must combine the VIE. It is effective for us beginning on January 1, 2010. We are currently evaluating what impact, if any, its adoption will have on our combined financial statements.

Unaudited Interim Financial Information

The combined financial statements as of June 30, 2010 and for the six months ended June 30, 2010 and 2009 are unaudited. In the opinion of management, all adjustments (consisting solely of normal recurring matters) necessary for a fair presentation of the financial statements for these interim periods have been included. The results of operations and cash flows for any interim period are not necessarily indicative of results for other interim periods or the full year.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

3. Student Housing Properties

Student housing properties, net, consisted of the following as of (amounts in thousands):

	June 30, 2010 (unaudited)	December 31, 2009	December 31, 2008
Land	$ 24,578	$ 24,578	$ 26,186
Buildings and improvements	287,063	286,120	262,643
Furniture, fixtures and equipment	36,825	36,459	37,388
	348,466	347,157	326,217
Accumulated depreciation	(48,403)	(38,999)	(20,794)
	$ 300,063	$ 308,158	$ 305,423

Other assets includes approximately $0.2 million and $0.4 million, net of accumulated depreciation, related to corporate furniture, fixtures and equipment at December 31, 2009 and 2008, respectively.

4. Variable Interest Entities

Each ground lessor shown below has been determined to be a VIE, of which the Predecessor is the primary beneficiary (dollar amounts in thousands):

Tenant/Ground Lessee[1]	Landlord/Ground Lessor	Rent Start Date	Original/ Remaining Term (in years)	Current Annual Lease Payment
Campus Crest at Jonesboro, LLC	Jonesboro - CHR Campus Crest LLC	10/1/07	25/23	$ 187
Campus Crest at Cheney, LLC	Cheney - CHR Campus Crest LLC	10/1/07	25/23	$ 115
Campus Crest at Wichita, LLC	Wichita - CHR Campus Crest LLC	11/1/07	25/23	$ 76
Campus Crest at Wichita Falls, LP	Wichita Falls - CHR Campus Crest LLC	8/1/07	25/23	$ 178
Campus Crest at Waco, LP	Waco - CHR Campus Crest LLC	7/1/07	25/23	$ 92
Campus Crest at Troy, LLC	Troy - CHR Campus Crest LLC	7/1/07	25/23	$ 123
Campus Crest at Stephenville, LP	Stephenville - CHR Campus Crest LLC	7/1/07	25/23	$ 107

Campus Crest at Murfreesboro, LLC	Murfreesboro - CHR Campus Crest LLC	8/1/07	25/23	$ 215

(1) Each entity is included in the combined financial statements of the Predecessor.

Each of these leases allows us the option to purchase the property, subject to certain conditions, at any time after the fifth anniversary of the lease effective date for fair market value. Consolidation of these VIEs resulted in recording land related to student housing properties of $13.0 million as of June 30, 2010 (unaudited), December 31, 2009, 2008 and 2007.

5. Ground Leases

In addition to ground leases discussed in note 4, we entered into two ground lease agreements, both on the campus of the University of South Alabama, for the purpose of developing, constructing and operating student housing facilities. Initial lease terms are 38 and 40 years. Our future commitments are included in note 13. We have the right to encumber our leasehold interests with specific property mortgages for the purposes of constructing, remodeling or making improvements on or to the properties. Title to all improvements paid for and

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

constructed on the land remains with us until the earlier of termination or expiration of the lease at which time the title of any buildings constructed on the land will revert to the landlord. Should we decide to sell our leasehold interests during the initial or any renewal terms, the landlord has the right of first refusal to purchase the interests for the same purchase price under the same terms and conditions as contained in our offer to sell our leasehold interests. Below is a summary of these ground-leased properties as of June 30, 2010 (unaudited) and December 31, 2009 (dollar amounts in thousands):

Property	Landlord	Rent Start Date	Original / Remaining Term (in years)	Current Annual Lease Payment
Mobile Phase I	USA Research and Technology Corporation	10/31/06	40/36	$ 84
Mobile Phase II	USA Research and Technology Corporation	3/1/08	38/36	$ 125

(1) Lease contains options to renew for one additional 20-year term, followed by an additional term of 15 years if the first renewal is exercised.

6. Noncontrolling Interest

We combine the following 20 entities. Each of these entities owns a property called The Grove that is located in the city or town referred to in the entity name:

Entities	Effective Ownership Percentage
Campus Crest at Asheville, LLC	40%
Campus Crest at Carrollton, LLC	38%
Campus Crest at Las Cruces, LLC	30%
Campus Crest at Milledgeville, LLC	5%
Campus Crest at Abilene, LP	38%
Campus Crest at Ellensburg, LLC	36%
Campus Crest at Greeley, LLC	30%
Campus Crest at Jacksonville, AL, LLC	37%
Campus Crest at Mobile, LLC	37%
Campus Crest at Nacogdoches, LP	38%
Campus Crest at Cheney, LLC	52%

Campus Crest at Jonesboro, LLC	42%
Campus Crest at Lubbock, LP	40%
Campus Crest at Mobile Phase II, LLC	37%
Campus Crest at Stephenville, LP	52%
Campus Crest at Troy, LLC	52%
Campus Crest at Waco, LP	52%
Campus Crest at Wichita, LLC	42%
Campus Crest at Wichita Falls, LP	52%
Campus Crest at Murfreesboro, LLC	52%

CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

The portion of ownership interests attributable to the third-party owners in these entities is classified as noncontrolling interest within equity on the accompanying combined balance sheets. Accordingly, the third-party owners share of the income or loss of the entities is reported on the combined statements of operations as net loss attributable to noncontrolling interest.

Prior to January 1, 2009, losses and distributions were allocated to third-party owners up to, but not in excess of the third-party owners investments. Losses and distributions in excess of third-party owners investments were recognized entirely by the Predecessor. Beginning on January 1, 2009, in accordance with new accounting guidance, third-party owners were allocated losses in excess of their investment. The attribution of these losses to noncontrolling interest resulted, in certain instances, the third-party owner having a deficit or negative noncontrolling interest balance, even in situations when it was not required to fund this balance. The following table presents the pro forma effect on net income if the prior method of allocating losses to noncontrolling interest had been applied in 2009 (amounts in thousands):

	As Reported	Pro forma
Net loss attributable to Predecessor	$ (6,737)	(13,362)
Net loss attributable to noncontrolling interest	$ (10,486)	(3,861)
Net loss	$ (17,223)	$ (17,223)

7. Sale of Student Housing Property

In November 2009, we sold 90% of our interest in The Grove at Milledgeville to an affiliate of Harrison Street Real Estate (HSRE). In addition, we executed an agreement with HSRE which provides us the ability to repurchase our interest in The Grove at Milledgeville. Upon completion of this offering, the Predecessor does intend to repurchase this interest. Because of our continuing involvement in this asset and because this transaction has financing elements, we did not record this transaction as a sale for financial reporting purposes. The proceeds were recorded as a related party loan and we continue to combine the balance sheet and operations of Campus Crest at Milledgeville, LLC, the entity which owns the property. The difference between the sale proceeds and contracted repurchase price is recorded as a discount to the related party loan. This discount is being amortized and recorded as interest expense on the accompanying combined statement of operations. For the six-month period ended June 30, 2010 (unaudited), interest expense related to this transaction totaled approximately $1.0 million. For the year-ended December 31, 2009, interest expense related to this transaction totaled approximately $0.3 million. We received proceeds from the sale of our interest in this property of approximately $3.9 million.

8. Investment in Uncombined Entity

We have an investment in an uncombined entity with HSRE. At December 31, 2009, this entity had an investment in seven student housing properties. Four of these properties, The Grove at Lawrence, The Grove at Moscow, The Grove at San Angelo, and The Grove at San Marcos, opened in 2009. The remaining three properties were under construction at December 31, 2009. We held a 10% noncontrolling interest in this uncombined entity at December 31, 2009 and 2008. Our effective ownership of these seven student housing properties ranges from 5% to 10%.

Our investment of approximately $3.3 million, $3.0 million and $0.8 million in these entities at June 30, 2010 (unaudited) and December 31, 2009 and December 31, 2008, respectively, is included in investment in uncombined entities in the accompanying combined balance sheets.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

We recorded equity in loss from uncombined entities for the six months ended June 30, 2010 (unaudited) and for the year ended December 31, 2009 of $(0.2) million and $(0.1) million, respectively. We had no equity on earnings (loss) from uncombined entities for the year ended December 31, 2008, as all assets owned by the entity at that date were under construction.

Condensed combined financial information for our uncombined entity as of and for the six months ended June 30, 2010 (unaudited) and for the years ended December 31, 2009 and 2008 is as follows (amounts in thousands):

Balance Sheets

	June 30, 2010 (unaudited)	December 31, 2009	December 31, 2008
Assets:			
Student housing properties, net	$ 70,899	$ 72,488	$
Development in process	53,837	15,528	10,042
Other assets	5,090	4,377	53
Total assets	$ 129,826	$ 92,393	$ 10,095
Liabilities and owners equity			
Construction debt	$ 92,427	$ 59,562	$
Other liabilities	6,610	3,210	1,916
Owners equity	30,789	29,621	8,179
Total liabilities and owners equity	$ 129,826	$ 92,393	$ 10,095
Predecessor s share of historical owners equity	$ 3,079	$ 2,962	$ 818
Net difference in investment basis over net book value of underlying net assets(1)	178	18	(42)
Predecessor s carrying value of investment in uncombined entity	$ 3,257	$ 2,980	$ 776

(1) This amount represents the aggregate difference between our historical cost basis and the basis reflected at the entity level, which is typically amortized over the life of the related asset. The basis differential occurs primarily due to the capitalization of additional investment in the uncombined entity offset by the elimination of service related revenue to the extent of our percentage ownership.

CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Statements of Operations

	Six Months Ended June 30, 2010 (unaudited)	Year Ended December 31, 2009
Revenues	$ 4,111	$ 3,131
Expenses:		
Operating expenses	2,672	1,698
Interest expense	1,893	1,341
Depreciation and amortization	1,589	792
Total expenses	6,154	3,831
Net loss	$ (2,043)	$ (700)
Predecessor s share of net loss	$ (194)	$ (59)

9. Debt

A detail of our construction and mortgage loans, lines of credit, other debt and related party loans is presented below (amounts in thousands):

	June 30, 2010 (unaudited)	December 31, 2009	December 31, 2008
Fixed-rate mortgage loans	$ 164,840	$ 164,840	$ 164,840
Construction loans	164,534	164,262	157,586
Lines of credit and other debt	10,018	9,978	9,237
Related party loan	7,671	4,092	
	$ 347,063	$ 343,172	$ 331,663

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

During the six months ended June 30, 2010 (unaudited) and the years ended December 31, 2009 and 2008, the following transactions occurred (amounts in thousands):

	June 30, 2010 (unaudited)	December 31, 2009	December 31, 2008
Balance at beginning of period	$ 343,172	$ 331,663	$ 173,483
Additions:			
Draws on lines of credit	40	9,831	8,967
Draws under construction loans	497	9,826	140,921
Proceeds from mortgage loans			104,600
Proceeds from related party loan [(1)]	2,250	3,872	
Accretion of interest expense [(1)]	1,376	220	
Deductions:			
Conversion of note to equity interest		(600)	
Payments on lines of credit		(9,090)	(6,308)
Payments on construction loans	(225)		(90,000)
Payments on related party loan	(47)		
Contribution of construction loan to real estate venture		(2,550)	
Balance at end of period	$ 347,063	$ 343,172	$ 331,663

(1) Relates to sale of 90% of our interest in Campus Crest at Milledgeville, LLC, sale of 99% of our interest in HSRE I and prepaid management fees. See notes 7 and 15.

The estimated fair value of our construction and fixed rate mortgage loans at June 30, 2010 (unaudited), December 31, 2009 and 2008 was approximately $331.0 million, $325.9 million and $315.8 million, respectively. These estimated fair values were determined by comparing current borrowing rates and risk spreads to the stated interest rates and risk spreads.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Construction and mortgage loans are collateralized by properties and their related revenue streams. Construction and mortgage loans at June 30, 2010 (unaudited), December 31, 2009 and 2008 consisted of the following (dollar amounts in thousands):

Face Amount	Principal Outstanding at 6/30/10 (unaudited)	Principal Outstanding at 12/31/09	Principal Outstanding at 12/31/08	Stated Interest Rate	Interest Rate at 6/30/10 (unaudited)	Interest Rate at 12/31/09	Maturity Date
$ 15,875	$ 15,648	$ 15,874	$ 15,643	Greater of LIBOR + 3.00% or 5.50%	5.50%	5.50%	10/31/2
157,550	148,886	148,388	139,393	LIBOR + 1.80%	2.15%	2.03%	10/31/201
2,550			2,550	8.00%			7/6/2
14,800	14,800	14,800	14,800	5.77%	5.77%	5.77%	4/11/2
14,650	14,650	14,650	14,650	6.13%	6.13%	6.13%	10/11/2
15,140	15,140	15,140	15,140	6.13%	6.13%	6.13%	10/11/2
104,000	104,000	104,000	104,000	6.40%	6.40%	6.40%	2/28/2
16,250	16,250	16,250	16,250	6.12%	6.12%	6.12%	10/1/2
	$ 329,374	$ 329,102	$ 322,426				

(1) Secured by The Grove at Cheney, The Grove at Jonesboro, The Grove at Lubbock, The Grove at Murfreesboro, The Grove at Stephenville, The Grove at Troy, The Grove at Waco, The Grove at Wichita and The Grove at Wichita Falls. At June 30, 2010 (unaudited) and December 31, 2009, approximately $136.4 million of the loan balance is hedged with a floating to fixed interest rate swap which, when taken together with the loan interest, fixes this portion of the loan s interest rate at 6.0%.

(2) Debt was repaid in full when construction loan closed.

(3) Secured by The Grove at Abilene, The Grove at Ellensburg, The Grove at Greeley, The Grove at Jacksonville, The Grove at Mobile Phase I and The Grove at Nacogdoches.

(4) We have a commitment from the lender to extend the maturity date of the loan to January 31, 2011 (note 15).

Mortgage Loans

In 2009 and in 2008, we had in place secured permanent financing of approximately $164.8 million for 10 combined properties.

The loans for The Grove at Asheville, The Grove at Carrollton, The Grove at Milledgeville and The Grove at Las Cruces generally require interest only payments, plus certain reserves and escrows, are payable monthly for a period of five years. Monthly payments of principal and interest, plus certain reserve and escrow amounts, are due thereafter until maturity when all principal is due. Each of these loans has a 30-year amortization and is a non-recourse obligation subject to customary or immaterial exceptions. None of these loans are cross-defaulted or cross-collateralized with any other indebtedness. The loans generally may not be prepaid prior to maturity; in certain cases, prepayment is allowed, subject to prepayment penalties.

The other mortgage loan is secured by six properties and has interest only payments with a balloon maturity date of February 28, 2013. This mortgage loan does not cross collateralize, nor is it cross defaulted to, any of the other debt facilities.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Construction Loans

In June 2007, we closed a construction loan in a principal amount of $145.0 million of which $10.0 million is included to be available for the issuance of letters of credit. The construction loan has a maturity date of October 31, 2010, has a weighted average interest rate of 2.47% and 2.37% as of June 30, 2010 (unaudited) and December 31, 2009 and requires interest only payments until loan maturity. At December 31, 2009, approximately $136.4 million of the $148.3 million outstanding loan balance is hedged with a floating to fixed interest rate swap. We have a commitment from the lender to extend the maturity date of this loan to January 31, 2011 and the parties have agreed to amend the loan documents to effect this extension of the maturity date not later than May 31, 2010 (note 15).

In 2007, we entered into agreements for debt totaling approximately $12.5 million, which is included in the construction loan amount outstanding above, with a related party who holds a portion of the noncontrolling interests and is party to certain of our ground leases with VIEs as described in note 4. The loans accrue interest at LIBOR plus 1.80% and are paid monthly with all principal and accrued interest due on October 31, 2010. We have a commitment from the lender to extend the maturity date of this loan to January 31, 2011 and the parties have agreed to amend the loan amounts to effect this extension of the maturity date not later than May 31, 2010 (note 15).

In December 2009, we modified and extended the property construction loan for The Grove at Mobile-Phase II. Modifications to the loan included: (i) the face/commitment amount was reduced to $15.9 million from $16.4 million, (ii) the interest rate was changed from LIBOR plus 1.80% to the greater of LIBOR plus 3.00% or a floor rate of 5.50% and (iii) the maturity date was extended to October 31, 2010. Payment terms include monthly principal payments of $37,500 and interest prior to a reduction of principal in the amount of $1.0 million on or before June 30, 2010, and monthly principal payments of $25,000 and interest subsequent to the payment of the $1.0 million reduction of principal (note 15). The loan is a full recourse loan secured by The Grove at Mobile-Phase II. For management s plan to address maturity of this facility, see Liquidity and Capital Resources below.

Lines of Credit and Other Debt

In March 2007, we entered into a line of credit of $2.0 million that was due in October 2008. This line of credit was subsequently increased to $4.0 million in May 2008. In October 2008, we converted the balance of this line of credit (approximately $2.7 million) to a term loan with an interest rate of one month LIBOR plus 3.00%. Interest only payments were required commencing in November 2008 with principal payments required to be paid on a quarterly basis beginning on January 31, 2009. All principal and accrued interest was due and paid in October 2009.

The Predecessor obtained a $6.0 million line of credit in May 2007 with an interest rate of 10.50% per annum. Ownership of the lender includes the Predecessor s owner and a third-party investor in all of our combined property owning entities. Interest only payments were due August 1, 2007 and continuing quarterly thereafter with the entire principal balance, including accrued interest, due and payable in full April 30, 2009. In April 2009, the terms of the line of credit were amended. The new terms extended the maturity date to April 30, 2011 and increased the interest rate to 12.00% per annum. At June 30, 2010 (unaudited), December 31, 2009 and 2008, $6.0 million was outstanding on this line of credit.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

In July 2009, the Predecessor obtained a $4.0 million line of credit with an interest rate of the prime rate plus 1.00% with an interest rate floor of 5.00%. Interest only is payable monthly; all outstanding principal is due on the line s maturity date, August 5, 2010 (note 15). The interest rate and outstanding principal balance on this line of credit at December 31, 2009 were 5.00% and $4.0 million, respectively. No amounts were outstanding under this line of credit at December 31, 2008. For management s plan to address maturity of this facility, see Liquidity and Capital Resources below.

Related Party Loans

See note 7 for information related to our obligation to HSRE as a result of the transaction involving The Grove at Milledgeville. See note 15 for information regarding transactions with HSRE during the six months ended June 30, 2010.

Guarantee of Loans

Ted W. Rollins and Michael S. Hartnett have each entered into personal guarantees to secure the loans set forth in this note 9.

Schedule of Debt Maturities

Scheduled debt maturities for each of the five years subsequent to December 31, 2009 and thereafter, are as follows (dollars in thousands):

2010	$ 172,315(1)
2011	6,103
2012	641
2013	104,750
2014	797
Thereafter	58,566
	$ 343,172

(1) We have a commitment from a lender to extend the maturity date of approximately $148.4 million of these obligations in January 31, 2011 (note 15).

Amortization of deferred financing costs approximated $0.8 million, $0.8 million and $0.3 million for the years ended December 31, 2009, 2008 and 2007, respectively.

Liquidity and Capital Resources

At December 31, 2009 and March 31, 2010, we were not in compliance with certain covenants under our $148.4 construction loan with Wachovia Bank secured by nine properties. On May 7, 2010, we received an executed commitment from the existing lender under this facility (i) allowing us until August 31, 2010 to bond over and/or cause to be released from all remaining unresolved liens, (ii) waiving our non-compliance with the debt service coverage covenant as of December 31, 2009 and June 30, 2010 and substituting a debt yield covenant in lieu of the debt service covenant and (iii) committing to extend the maturity of the construction loan to

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

January 31, 2011. We have agreed with the lender to execute the extension as described in the commitment on or before June 1, 2010 (note 15).

At December 31, 2009, we were not in compliance with the covenant relating to unresolved liens or claims for materials or labor under our construction loan with Wachovia Bank secured by The Grove at Moscow, The Grove at San Angelo and The Grove at San Marcos. On May 12, 2010, the lender under this construction loan acknowledged and consented to our proposal for the payment and satisfaction of the liens out of the net proceeds from the Company s offering and waived our non-compliance with the covenant.

At December 31, 2009, we were not in compliance with covenants under our $104.0 million mortgage loan with Silverton Bank, secured by six of our properties, for the quarters ended October 31, 2009, January 31, 2010 and April 30, 2010 as a result of failing to meet the specified debt service coverage and debt yield percentage covenants set forth in the loan documents. Additionally, based on current operating projections, the Predecessor does not expect to satisfy either covenant through the end of 2010. On April 9, 2010, we received a waiver of non-compliance with the covenants from the lender under this mortgage loan for the periods ended October 31, 2009 and January 31, 2010. On May 13, 2010, we received a waiver of non-compliance with the covenants from the lender under this mortgage loan for the period ended April 30, 2010. We have also obtained a forward waiver of non-compliance for the periods ending July 31, 2010, October 31, 2010 and January 31, 2011.

We have three credit facilities maturing in fiscal 2010, consisting of the $148.4 million construction loan facility secured by nine properties, a $4.0 million line of credit and a $15.9 million construction loan. We received an executed commitment from our current lender on May 7, 2010 to extend the maturity of the $148.4 million construction loan facility to January 31, 2011. Additionally, we anticipate retiring the $4.0 million line of credit out of cash flows from operations. We expect to refinance the principal amount of the $15.9 million construction loan, less the fiscal 2010 principal amortization of $1.0 million, based on current refinancing underwriting standards. The current challenging economic climate may also lead to our need to sell one or more of our operating properties in order to provide the needed liquidity to service our debt and operating obligations during 2010 (note 15).

We believe that our existing capital resources, which include cash flow from operations and the potential sale of operating properties, will be adequate to satisfy our anticipated liquidity requirements throughout 2010. If available liquidity is not sufficient to meet our operating and debt service obligations as they come due, we expect to pursue alternative financing arrangements, reduce expenditures, or sell additional operating properties, as necessary, in order to meet our cash requirements throughout 2010.

Additionally, we generate construction, development and management fee revenue from real estate ventures and will attempt to enter into new real estate ventures during fiscal 2010, although our ability to secure venture partners or other equity sources, as well as necessary construction financing, is not assured. Additional new real estate ventures would provide fee revenue that helps to provide necessary liquidity.

Our operations have historically generated net losses primarily due to significant amounts of interest expense, depreciation and amortization expense. We expect that our operations will continue to generate net losses due to the amounts of interest expense, depreciation and amortization expense that are projected.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

There is no assurance that if required, we would be able to raise additional capital, refinance maturing credit facilities, sell one or more operating properties or reduce discretionary spending sufficient to provide the required liquidity. Failure to achieve sufficient liquidity or otherwise address further compliance issues under our credit facilities within the timeframe permitted may have a material adverse affect on our business, results of operations and financial position, and may materially affect our ability to continue as a going concern.

10. Derivative Instruments and Hedging Activities

We use significant variable rate debt to finance our construction of student housing properties. These debt obligations expose us to variability in cash flows due to fluctuations in interest rates. From time to time, management enters into derivative contracts to limit variability for a portion of our interest payments and to manage exposure to interest rate risk. We use derivative financial instruments, specifically interest rate swaps, for non-trading purposes.

As of June 30, 2010, December 31, 2009 and 2008, the fair value of derivative contracts is recorded within other liabilities in the accompanying combined balance sheets with changes in the fair value of derivatives recorded within the combined statements of operations. The fair value of interest rate swaps is determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. We incorporate credit valuation adjustments to appropriately reflect our own nonperformance risk and the respective counterparty s nonperformance risk in the fair value measurements. In adjusting the fair value of derivative contracts for the effect of nonperformance risk, we consider the impact of netting and any applicable credit enhancements, such as collateral postings, thresholds and guarantees.

The following table is a summary of the terms and the estimated fair value of the derivative contracts we were a party to at June 30, 2010 (unaudited) and December 31, 2009 (dollar amounts in thousands):

Instrument	**Hedged Item**	**Notional Amount**	**Weighted Average Fixed Interest Rate**	**Maturity Date**	**Estimated Fair Value at June 30, 2010 (unaudited)**	**Estimated Fair Value at December 31, 2009**
Interest rate swap	30-day LIBOR variable interest rate	$ 136,409	6.00%	October 2010	$ (1,949)	$ (4,424)
Interest rate swap	30-day LIBOR variable interest rate	$ 45,000	3.44%	May 2011	(1,207)	(1,625)

$	(3,156)	$	(6,049)

CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

The following table is a summary of the terms and the estimated fair values of the derivative contracts we were a party to at December 31, 2008 (dollar amounts in thousands):

Instrument	Hedged Item	Notional Amount	Weighted Average Fixed Interest Rate	Maturity Date	Estimated Fair Value at December 31, 2008
Interest rate swap	30-day LIBOR variable interest rate	$ 14,464	4.59%	September 2009	$ (1,764)
Interest rate swap	90-day LIBOR variable interest rate	$ 50,000	5.48%	November 2019	(6,280)
Interest rate swap	90-day LIBOR variable interest rate	$ 15,000	4.96%	November 2019	(1,485)
					$ (9,529)

The table below reflects the effect of interest rate derivative instruments on the combined statements of operations for the six months ended June 30, 2010 and 2009 (unaudited) and for the years ended December 31, 2009, 2008 and 2007 (amounts in thousands):

Derivatives not Designated as Hedging Instruments	Location of Gain (Loss) Recognized on the Combined Statements of Operations	Six Months Ended June 30, 2010 (unaudited)	Six Months Ended June 30, 2009 (unaudited)	2009	Year Ended December 31, 2008	2007
Interest rate swaps (receive float/pay fixed):						
Monthly net settlements-cash settled	Change in fair value of interest rate derivatives	$ (2,715)	$ (310)	$ (2,373)	$ (244)	$
Mark to market adjustments-cash settled	Change in fair value of interest rate derivatives			(310)	(1,100)	
Mark to market adjustments-non-cash	Change in fair value of interest rate derivatives	2,893	2,990	3,480	(7,414)	(2,115)
Total effect of derivative instruments on the combined		$ 178	$ 2,680	$ 797	$ (8,758)	$ (2,115)

statements of operations

In October 2008, the counterparty to our swap agreements required us to deposit cash collateral into escrow for future settlements in the amount of approximately $1.4 million. This amount is included in the restricted cash line item in the accompanying December 31, 2008 combined balance sheet. No amounts were required to be escrowed for future settlements at June 30, 2010 (unaudited) and December 31, 2009. Periodic swap settlements of $0.1 million, $0.7 million and $0 were capitalized to student housing properties for the years ended December 31, 2009, 2008 and 2007, respectively.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

11. Related Party Transactions

The Predecessor wholly owns three entities that provide extensive services for property constructing and owning entities that are both combined and not combined. Campus Crest Development, LLC (Development) serves as the developer and project manager for the same entities prior to and through the properties substantial completion. Campus Crest Construction, LLC (Construction) serves as the general contractor for entities we have an ownership interest in, including uncombined entities. The Grove Student Properties, LLC (d/b/a Campus Crest Real Estate Management) (Management) serves as the property manager for the same entities once the assets are placed into service and begin their real estate operations. Currently, neither, Development, Construction nor Management performs services for entities in which we do not have an ownership interest.

Development, construction and management services revenue recognized in the accompanying combined statements of operations are from uncombined entities, net of eliminations due to our share of ownership. The following table illustrates revenue recognized and corresponding amounts eliminated in combination (amounts in thousands):

	Six Months Ended June 30, 2010	Six Months Ended June 30, 2009	Year Ended December 31, 2009	2008	2007
	(unaudited)				
Total Construction revenue	$ 32,136	$ 48,497	$ 71,798	$ 120,338	$ 88,296
Eliminated Construction revenue	(3,231)	(13,383)	(14,901)	(118,104)	(88,296)
Construction revenue recognized from transactions with uncombined entities	$ 28,905	$ 35,114	$ 56,897	$ 2,234	$
Total Development revenue	$ 1,471	$ 2,318	$ 3,934	$ 3,854	$ 3,226
Eliminated Development revenue	(147)	(752)	(1,390)	(3,751)	(3,226)
Development revenue recognized from transactions with uncombined entities	$ 1,324	$ 1,566	$ 2,544	$ 103	$
Total Management revenue	$ 1,778	$ 1,671	$ 3,516	$ 1,577	$ 873
Eliminated Management revenue	(1,269)	(1,093)	(2,246)	(1,409)	(873)
Management revenue recognized from transactions with uncombined entities	$ 509	$ 578	$ 1,270	$ 168	$

From time to time, we advance amounts to and receive amounts from entities that have common ownership with the Predecessor. At June 30, 2010 (unaudited) and December 31, 2009

CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

and 2008, we were owed approximately $1.7 million, $1.4 million and $0.3 million, respectively, from related entities and had accounts payable due to related entities of $0.7 million, $0.6 million and $0, respectively. These amounts are included in other assets and other liabilities in the accompanying combined balance sheets.

12. Segments

The operating segments in which management assesses performance and allocates resources are student housing operations and development, construction and management services. Our segments reflect management s resource allocation and performance assessment in making decisions regarding the Predecessor. Our student housing leasing and student housing service revenue is aggregated within the student housing operations segment and our third-party services of development, construction and management are aggregated within the development, construction and management services segment.

The following tables set forth our segment information as of and for the six months ended June 30, 2010 and 2009 (unaudited) and as of and for the years ended December 31, 2009, 2008 and 2007 (amounts in thousands):

	Six Months Ended June 30,		Year Ended December 31,		
	2010	2009	2009	2008	2007
	(unaudited)				
Student Housing Operations:					
Revenues from external customers	$ 25,869	$ 22,230	$ 45,973	$ 31,611	$ 15,708
Operating expenses	23,892	21,247	42,997	29,481	13,788
Operating income	1,977	983	2,976	2,130	1,920
Nonoperating expenses	(7,718)	(4,795)	(14,747)	(23,492)	(8,005)
Net loss	(5,741)	(3,812)	(11,771)	(21,362)	(6,085)
Net loss attributable to noncontrolling interest	(4,385)	(2,060)	(10,486)	(870)	(2,083)
Net loss attributable to Predecessor	$ (1,356)	$ (1,752)	$ (1,285)	$ (20,492)	$ (4,002)
Total segment assets at end of period	$ 304,352		$ 310,075	$ 319,052	$ 205,151
Development, Construction and Management Services:					
Revenues from external customers	$ 30,738	$ 37,258	$ 60,711	$ 2,505	$
Intersegment revenues	4,647	15,228	18,537	123,264	92,395
Total revenues	35,385	52,486	79,248	125,769	92,395
Operating expenses	32,090	47,553	76,305	122,535	96,835

Operating income (loss)	3,295	4,933	2,943	3,234	(4,440)
Nonoperating expenses	(31)	(330)	(108)	(520)	(18)
Net income (loss)	3,264	4,603	2,835	2,714	(4,458)
Net income (loss) attributable to Predecessor	$ 3,264	$ 4,603	$ 2,835	$ 2,714	$ (4,458)
Total segment assets at end of period	$ 25,785		$ 28,926	$ 30,048	$ 28,152
Reconciliations:					
Total segment revenues	$ 61,254	$ 74,716	$ 125,221	$ 157,380	$ 108,103
Elimination of intersegment revenues	(4,647)	(15,228)	(18,537)	(123,264)	(92,395)
Total combined revenues	$ 56,607	$ 59,488	$ 106,684	$ 34,116	$ 15,708

CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

	Six Months Ended June 30, 2010 (unaudited)	Six Months Ended June 30, 2009 (unaudited)	Year Ended December 31, 2009	Year Ended December 31, 2008	Year Ended December 31, 2007
Segment operating income	$ 5,272	$ 5,916	$ 5,919	$ 5,364	$ (2,520)
Interest expense	(10,686)	(7,369)	(15,871)	(14,946)	(6,583)
Change in fair value of interest rate derivatives	178	2,680	797	(8,758)	(2,115)
Net unallocated income (expenses) and eliminations	(2,905)	(5,202)	(8,053)	(7,707)	1,486
Equity in loss of uncombined entities	(194)		(59)		
Other income (expense)	45	(19)	44	(50)	100
Loss from continuing operations	$ (8,290)	$ (3,994)	$ (17,223)	$ (26,097)	$ (9,632)
Total segment assets	$ 330,137		$ 339,001	$ 349,100	$ 233,303
Unallocated corporate assets and eliminations	(1,764)		(7,205)	(6,945)	(19,399)
Total assets	$ 328,373		$ 331,796	$ 342,155	$ 213,904

13. Commitments and Contingencies

Commitments

In the normal course of business, we enter into various development and construction related purchase commitments with parties that provide development and construction related goods and services. In the event we were to terminate development or construction services prior to the completion of projects, we could potentially be committed to satisfy outstanding or uncompleted purchase orders with such parties. At December 31, 2009, management does not anticipate any material deviations from schedule or budget related to development projects currently in progress.

In the ordinary course of business, certain liens related to the construction of the student housing real estate property may be attached to the assets of the Company by contractors or suppliers. Campus Crest Construction, LLC is responsible as the general contractor for resolving these liens. At June 30, 2010 and December 31, 2009, there were unresolved liens or claims for materials or labor for The Grove at Cheney, The Grove at Jonesboro, The Grove at Lubbock, The Grove at Murfreesboro, The Grove at Stephenville, The Grove at Troy, The Grove at Waco, The Grove at Wichita and The Grove at Wichita Falls. The liens and claims relate to the role of Campus Crest Construction, LLC as general contractor in connection with the construction of these nine properties. As of June 30, 2010 (unaudited) and December 31, 2009, we have recorded a liability of approximately $2.0 million and $2.2 million relating to these liens and claims, however, there can be no assurances that we will not be required to pay amounts greater than our currently recorded liabilities in order to obtain the release of the liens or settle these claims.

At June 30, 2010 and December 31, 2009, there were unresolved liens or claims for materials or labor for The Grove at Moscow, The Grove at San Angelo and The Grove at San Marcos. The liens and claims relate to the role of Campus Crest Construction, LLC as general contractor in connection with the construction of these three properties. As of June 30, 2010 (unaudited) and December 31, 2009, we have recorded a liability of approximately $303,000 and $430,000 relating to these liens and claims, however, there can be no assurances that we will not be required to pay amounts greater than our currently recorded liabilities in order to obtain the release of the liens or settle these claims.

CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Ted W. Rollins and Michael S. Hartnett have each entered into personal guarantees to secure the loans as set forth in note 9.

We lease space for our corporate headquarters office. Rent expense is recognized on a straight-line basis and included in general and administrative expense. Future minimum payments over the life of our corporate office lease and the two ground leases described in note 5 subsequent to December 31, 2009 are as follows (amounts in thousands):

2010	$ 457
2011	464
2012	542
2013	551
2014	577
Thereafter	8,688
Total future minimum lease payments	$ 11,279

Rent expense totaled $0.5 million, $0.5 million and $0.3 million for the years ended December 31, 2009, 2008 and 2007, respectively.

Contingencies

In the normal course of business, we are subject to claims, lawsuits and legal proceedings. While it is not possible to ascertain the ultimate outcome of all such matters, management believes that the aggregate amount of such liabilities, if any, in excess of amounts provided or covered by insurance, will not have a material adverse effect on the combined financial position or combined results of operations of the Predecessor. We are not involved in any material litigation nor, to management s knowledge, is any material litigation currently threatened against us or our properties or subsidiaries, other than routine litigation arising in the ordinary course of business.

We are not aware of any environmental liability with respect to the properties that could have a material adverse effect on our business, assets or results of operations. However, there can be no assurance that such a material environmental liability does not exist. The existence of any such material environmental liability could have an adverse effect on our results of operations and cash flows.

14. Subsequent Events

HSRE Real Estate Ventures

As of December 31, 2009, we have two real estate venture arrangements with HSRE. On March 26, 2010, we entered into an agreement with HSRE for the formation of a third real estate venture arrangement that is contingent upon the receipt of certain lender consents described below. Upon completion of the Company s offering and the transactions described below, however, we will be party only to one real estate venture arrangement relating to six properties, in which we will have a 49.9% interest and which will be accounted for as an investment in an unconsolidated real estate venture.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

HSRE I. Our first real estate venture with HSRE, HSRE-Campus Crest I, LLC, which we refer to as HSRE I, indirectly owns 100% interests in the following seven properties: The Grove at Conway, The Grove at Huntsville, The Grove at Lawrence, The Grove at Moscow, The Grove at San Angelo, The Grove at San Marcos and The Grove at Statesboro. As of March 26, 2010, we own a 0.1% interest in HSRE I and HSRE owns the remaining 99.9% (prior to the March 2010 transactions described below, we owned a 10% interest in HSRE I and HSRE owned the remaining 90%).

In general, we are responsible for the day-to-day management of HSRE I s business and affairs, provided that major decisions must be approved by us and HSRE. In addition to distributions to which we are entitled as an investor in HSRE I, we receive or have in the past received fees for providing services to the properties held by HSRE I pursuant to development and construction agreements and property management agreements. We have granted to an entity related to HSRE I a right of first opportunity with respect to certain development or acquisition opportunities identified by us. This right of first opportunity will terminate at such time as HSRE shall have funded at least $40 million of equity to HSRE I and/or certain related ventures. As of July 30, 2010, HSRE has funded approximately $35 million of the $40 million right of first opportunity. HSRE I will dissolve upon the disposition of substantially all of its assets or the occurrence of certain events specified in the agreement between us and HSRE.

HSRE II. Our second real estate venture with HSRE, HSRE-Campus Crest II, LLC, which we refer to as HSRE II, indirectly owns a 100% interest in The Grove at Milledgeville. In November 2009, an entity in which we hold a 50% interest sold a 100% interest in The Grove at Milledgeville to HSRE II, and retained an ownership interest in HSRE II of 10%. Upon completion of the Company s offering and the formation transactions, HSRE II will be dissolved, and the Company will own 100% of The Grove at Milledgeville.

HSRE III. On March 26, 2010, we entered into an agreement with HSRE to form a third real estate venture, HSRE-Campus Crest III, LLC, which we refer to as HSRE III, predicated upon the receipt of certain lender consents described below. HSRE III currently does not own any assets and will indirectly acquire a 100% interest in The Grove at Carrollton, subject to receiving certain lender consents relating to indebtedness secured by The Grove at Carrollton. If these consents are obtained, upon HSRE III s acquisition of The Grove at Carrollton, we will own a 0.1% interest in HSRE III and HSRE will own the remaining 99.9%. Upon completion of the Company s offering and the formation transactions, HSRE III will be dissolved, and the Company will own 100% of The Grove at Carrollton.

HSRE Transactions

March 2010 Transactions. In March 2010, we consummated the following transactions with HSRE, for which we received proceeds of approximately $2.25 million:

- the sale of a 9.9% interest in HSRE I to HSRE; and

- the pre-payment by HSRE to us of management fees relating to the following properties: The Grove at Carrollton, The Grove at Conway, The Grove at Huntsville, The Grove at Lawrence, The Grove at Milledgeville, The Grove at Moscow, The Grove at San Angelo, The Grove at San Marcos and The Grove at Statesboro.

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

In addition, we agreed to sell a 9.9% interest in HSRE II to HSRE and a 100% interest in The Grove at Carrollton to HSRE III, which will result in aggregate cash proceeds to us of approximately $1.7 million; although neither of the foregoing transactions has been consummated and both are subject to receiving certain lender consents relating to indebtedness secured by the respective properties.

Post-Offering Transactions. Upon completion of the Company s offering, we have agreed to consummate the following transactions:

Purchase a 49.8% interest in HSRE I from HSRE;

Purchase a 50.1% interest in The Grove at San Marcos from HSRE I, with the result that we will own 100% of The Grove at San Marcos;

Purchase HSRE s entire interest in HSRE II, with the result that we will own 100% of The Grove at Milledgeville;

Purchase a 99.9% interest in HSRE III from HSRE, with the result that we will own 100% of The Grove at Carrollton; and

Repay to HSRE the pre-paid management fees relating to the following properties: The Grove at Carrollton, The Grove at Conway, The Grove at Huntsville, The Grove at Lawrence, The Grove at Milledgeville, The Grove at Moscow, The Grove at San Angelo, The Grove at San Marcos and The Grove at Statesboro.

15. Unaudited Interim Transactions

As discussed in Note 14, in March 2010, we sold 99% of our interest in HSRE I, which represents a 9.9% interest in the HSRE I venture, to HSRE, and HSRE prepaid to us management fees related to certain properties. The total proceeds received from these transactions were $2.25 million. We also executed an agreement with HSRE whereby we have agreed to repurchase the sold interest in HSRE I. Upon completion of this offering, the Predecessor will repurchase this interest in HSRE I and will repay the prepaid management fees at a stipulated repayment amount. Due to these facts and because these transactions have financing elements, the transactions were accounted for as a related party loan. The difference between the total proceeds received and the total contracted repurchase and repayment amounts is accreted and recorded as interest expense on the accompanying combined statements of operations. For the six months ended June 30, 2010 (unaudited), interest expense related to these transactions totaled approximately $384,000.

Since June 1, 2010, we executed a series of agreements with the lender on our Wachovia Bank construction loan described in note 9, which further extended the May 7, 2010 commitment. On August 16, 2010, we entered into an agreement, the execution of which memorializes the terms and conditions of the May 7, 2010 commitment, as extended from time to time, including a waiver of non-compliance with the debt service coverage covenant as of June 30, 2010.

On August 2, 2010, we entered into an agreement with Encore Interests, Inc., a Delaware corporation, or Encore, for the formation of CC-Encore, LLC, a Delaware limited liability company, or CC-Encore, to which we contributed and pledged interests in the following properties and subsidiaries: The Grove Student Properties, LLC, Campus Crest GP, LLC, Campus Crest Properties, LLC, Campus Crest Ventures I, LLC, The Grove at Abilene, The Grove at Asheville, The Grove at Ellensburg, The Grove at Greeley, The Grove at Jacksonville, The Grove at

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CAMPUS CREST COMMUNITIES PREDECESSOR

NOTES TO COMBINED FINANCIAL STATEMENTS (Continued)

Las Cruces, The Grove at Mobile Phase I, The Grove at Mobile Phase II and The Grove at Nacogdoches. Carl H. Ricker, Jr. also is a party to this agreement, and Mr. Ricker and his affiliated entities contributed and pledged to CC-Encore interests that they owned in certain of our properties. Encore contributed $2.5 million to CC-Encore in exchange for a preferred membership interest. CC-Encore loaned the net proceeds of the Encore contribution, or $2.35 million after transaction expenses, to one of our subsidiaries to be used for working capital purposes.

We are obligated to purchase the preferred membership interest upon completion of this offering, at which time the joint venture with Encore will be terminated and we will own 100% of the interests contributed and pledged to the joint venture. Prior to the completion of this offering and while the preferred membership interest remains outstanding, we are subject to financial and other covenants under the terms of the agreement pursuant to which Encore purchased the preferred membership interest, and we have the right to repurchase the preferred membership interest under certain circumstances. In addition, while the preferred membership interest remains outstanding, Encore has agreed to purchase up to an additional $2.5 million preferred membership interest upon the satisfaction of certain conditions.

On August 5, 2010, we executed an agreement with the lender on our $4.0 million line of credit that was set to mature on that date. The agreement extended the line s maturity date to October 5, 2010. Additionally, the interest rate floor changed from 5.0% to 5.5%.

On August 16, 2010, we executed a modification of the terms of the property construction loan for The Grove at Mobile Phase II. The modification provides for an extension of the $1.0 million principal reduction payment (discussed in the Construction Loans section of note 9) to the earliest to occur of the completion of this offering, the completion of a private placement of the equity interests in MXT Capital, LLC or CCG, or October 31, 2010.

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Schedule III-Real Estate and Accumulated Depreciation as of December 31, 2009

lent Housing Properties	Initial Cost	Costs Capitalized Subsequent to Development	Land	Total Costs Student Housing Properties	Total	Accum. Depr.	Encumbrances	Year Built	Depr Li (
			(dollar amounts in thousands)						
Grove at Asheville	$ 12,631	$ 276	$ 51	$ 12,856	$ 12,907	$ (3,091)	$ (14,800)	2005	
Grove at Carrollton	13,339	230	1,104	12,465	13,569	(2,615)	(14,650)	2006	
Grove at Las Cruces	16,038	47	1,098	14,987	16,085	(2,897)	(15,140)	2006	
Grove at Milledgeville	14,672	98	942	13,828	14,770	(2,681)	(16,250)	2006	
Grove at Abilene	17,077	74	1,361	15,790	17,151	(2,253)	(16,120)	2007	
Grove at Ellensburg	20,985	53	1,483	19,555	21,038	(2,535)	(18,757)	2007	
Grove at Greeley	20,144	124	1,454	18,814	20,268	(2,387)	(19,128)	2007	
Grove at Jacksonville	17,741	134	892	16,983	17,875	(2,451)	(16,417)	2007	
Grove at Mobile Phase I	15,986	67	98	15,955	16,053	(2,318)	(15,972)	2007	
Grove at Nacogdoches	19,144	68	1,589	17,623	19,212	(2,340)	(17,606)	2007	
Grove at Cheney	18,679	169	1,347	17,501	18,848	(1,467)	(16,080)	2008	
Grove at Jonesboro	17,646	21	2,156	15,511	17,667	(1,423)	(17,076)	2008	
Grove at Lubbock	18,121	26	1,520	16,627	18,147	(1,447)	(16,440)	2008	
Grove at Mobile Phase II	16,654	68	52	16,670	16,722	(1,366)	(15,874)	2008	
Grove at Stephenville	16,989	16	1,250	15,755	17,005	(1,481)	(16,080)	2008	
Grove at Troy	18,178	17	1,433	16,762	18,195	(1,501)	(17,440)	2008	
Grove at Waco	17,479	16	1,094	16,401	17,495	(1,508)	(16,742)	2008	
Grove at Wichita	16,842	15	911	15,946	16,857	(1,467)	(16,062)	2008	
Grove at Wichita Falls	17,682	15	2,065	15,632	17,697	(1,431)	(16,280)	2008	
Grove at Murfreesboro	19,577	19	2,678	16,918	19,596	(340)	(16,188)	2009	
al-student housing perties	**$ 345,604**	**$ 1,553**	**$ 24,578**	**$ 322,579**	**$ 347,157**	**$ (38,999)**	**$ (329,102)**		

(1) The life to compute depreciation on buildings is 40 years. Furniture, fixtures, equipment and building improvements are depreciated over periods of up to 20 years.

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NOTES TO SCHEDULE III

Schedule III Real Estate and Accumulated Depreciation as of December 31, 2009

The changes in our investment in real estate and related accumulated depreciation for each of the years ended December 31, 2009, 2008, and 2007 are as follows (amounts in thousands):

	For the Year Ended December 31, 2009	2008	2007
Investment in real estate:			
Balance, beginning of year	$ 326,217	$ 182,788	$ 48,775
Improvements and development expenditures	23,965	143,429	134,722
Disposition of properties	(3,025)		(709)
Balance, end of year	$ 347,157	$ 326,217	$ 182,788
Accumulated depreciation:			
Balance, beginning of year	$ 20,794	$ 7,752	$ 2,066
Depreciation for the year	18,205	13,042	5,721
Disposition of properties			(35)
Balance, end of year	$ 38,999	$ 20,794	$ 7,752
Development in process	3,300	15,742	18,929
Investment in real estate, net	$ 311,458	$ 321,165	$ 193,965

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Campus Crest Communities, Inc.:

We have audited the accompanying combined statement of revenue and certain expenses of HSRE Properties for the year ended December 31, 2009. This combined financial statement is the responsibility of the management of Campus Crest Communities, Inc. Our responsibility is to express an opinion on the combined financial statement based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying combined statement of revenue and certain expenses was prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and for inclusion in the registration statement on Form S-11 of Campus Crest Communities, Inc., as described in note 2 to the combined financial statement. It is not intended to be a complete presentation of HSRE Properties revenue and expenses.

In our opinion, the combined statement of revenue and certain expenses referred to above presents fairly, in all material respects, the revenue and expenses as described in note 2 of HSRE Properties for the year ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

Atlanta, Georgia
May 14, 2010
/s/ KPMG LLP

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HSRE PROPERTIES

COMBINED STATEMENTS OF REVENUE AND CERTAIN EXPENSES
(in thousands)

	Six Months Ended June 30, 2010 (unaudited)	Year Ended December 31, 2009
Revenue:		
Student housing leasing	$ 3,906	$ 3,021
Student housing services	205	110
Total revenue	4,111	3,131
Certain expenses:		
Student housing operations	2,504	1,561
Management fees	168	137
Interest expense	1,446	1,009
Total certain expenses	4,118	2,707
Revenue in excess of certain expenses (certain expenses in excess of revenue)	$ (7)	$ 424

See accompanying notes to financial statements.

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HSRE PROPERTIES

NOTES TO COMBINED STATEMENTS OF REVENUE AND CERTAIN EXPENSES

1. Organization and Description of Business

HSRE-Campus Crest I, LLC (the Venture) was formed on November 7, 2008 between HSRE-Campus Crest IA, LLC (HSRE) and Campus Crest Ventures III, LLC (CCV III) for the principal purpose of owning, developing, constructing and operating student housing rental properties. At June 30, 2010 (unaudited) and December 31, 2009, HSRE holds a 90% member interest in the Venture and CCV III holds a 10% member interest.

At June 30, 2010 and December 31, 2009, the Venture owned the following properties (the HSRE Properties):

Property	University	Year Opened
The Grove at San Angelo	Angelo State University	2009 (1)
The Grove at San Marcos	Texas State University	2009 (1)
The Grove at Moscow	University of Idaho	2009 (1)
The Grove at Lawrence	University of Kansas	2009 (1)
The Grove at Huntsville	Sam Houston State University	2010 (2)
The Grove at Statesboro	Georgia Southern University	2010 (2)
The Grove at Conway	University of Central Arkansas	2010 (2)

(1) Property opened and began operations in Fall 2009. The statement of revenue and certain expenses for the year ended December 31, 2009 includes approximately five months of rental income and related expenses.

(2) Property under construction at June 30, 2010 and December 31, 2009. Property had no operating results for 2009. Completion and occupancy are expected for the 2010-2011 academic year.

Upon completion of the Campus Crest Communities, Inc. (the Company) offering transaction, the Company has agreed to acquire:

a 49.9% interest in the Venture, which will own 100% interests in the following six properties: The Grove at Conway, The Grove at Huntsville, The Grove at Lawrence, The Grove at Moscow, The Grove at San Angelo and The Grove at Statesboro; we will continue to recognize our interest in the Venture under the equity method of accounting; and

100% interest in The Grove at San Marcos, which will be consolidated.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying combined statement of revenue and certain expenses includes the rental and property operations of the HSRE Properties for the year ended December 31, 2009. Only one year of operations has been presented herein as HSRE Properties did not commence operations until 2009.

The accompanying combined statements of revenue and certain expenses for the six months ended June 30, 2010 (unaudited) and for the year ended December 31, 2009 were prepared for the purpose of inclusion in an initial public offering prospectus and to comply with the rules and regulations of the United States Securities and Exchange Commission for the acquisition of real estate properties. The combined statement of revenue and certain expenses is not intended to be

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HSRE PROPERTIES

NOTES TO COMBINED STATEMENTS OF REVENUE AND CERTAIN EXPENSES (Continued)

a complete presentation of the actual operations of the properties for the six months ended June 30, 2010 (unaudited) and for the year ended December 31, 2009, as certain expenses which may not be comparable to the expenses to be incurred in the proposed future operations of the properties have been excluded. Expenses excluded consist of interest expense on certain loans that will not be assumed by the Company, depreciation, amortization and other expenses not directly related to the proposed future operations of the properties.

Use of Estimates

The preparation of the combined statement of revenue and certain expenses in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenue and certain expenses. Actual results may differ from those estimates.

Revenue Recognition

Students are required to execute lease contracts with payment schedules that vary from annual to monthly payments. Revenue and related lease incentives are recognized on a straight-line basis over the term of the leases. Generally, each executed contract is required to be accompanied by a signed parental guaranty. Service revenue is recognized when earned.

Student Housing Operating Expenses

Student housing operating expenses represent the direct expenses of operating the properties and consist primarily of payroll, utilities, repairs and maintenance, insurance, property taxes and other operating expenses that are expected to continue in the proposed future operations of the properties.

Commitments and Contingencies

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, penalties and other sources, are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred. HSRE Properties is not subject to any material litigation nor to management s knowledge is any material litigation currently threatened against HSRE Properties other than routine litigation, claims and administrative proceedings arising in the ordinary course of business.

Unaudited Interim Financial Information

The combined statement of revenue and certain expenses for the six months ended June 30, 2010 is unaudited. In the opinion of management, all adjustments (consisting solely of normal recurring matters) necessary for a fair presentation of the financial information for this interim period have been included. The revenues and certain expenses for any interim period are not necessarily indicative of results for other interim periods or the full year.

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HSRE PROPERTIES

NOTES TO COMBINED STATEMENTS OF REVENUE AND CERTAIN EXPENSES (Continued)

3. Ground Lease

Campus Crest at Moscow, LLC, is party to a ground lease for land near the University of Idaho located in Moscow, ID. The lease has an initial term of 99 years with an exclusive option to renew for an additional 25 years when the initial term terminates. The tenant has the option to purchase the property, subject to certain conditions, at any time after September 1, 2009 for $1.0 million.

Annual base rent is fixed at $78,000 per annum for the first two years of the initial term. Commencing on the second anniversary of the rent commencement date and continuing until the end of the lease term, the annual base rent will be $144,000 per annum.

4. Debt

At June 30, 2010 (unaudited) and December 31, 2009, the construction loan obligations of HSRE Properties were as follows (amounts in thousands):

	Face Amount	Principal Outstanding at 6/30/10 (unaudited)	Principal Outstanding at 12/31/09	Stated Interest Rate	Interest Rate at 6/30/10 (unaudited)	Interest Rate at 12/31/09	Maturity Date	Amortization
Variable rate construction loans								
The Grove at San Angelo [(1)]	$ 14,668	$ 14,458	$ 14,356	LIBOR + 2.50%	5.94%	5.94%	May 2011	Interest only
The Grove at Moscow [(1)]	17,268	16,083	15,026	LIBOR + 2.50%	5.94%	5.94%	May 2011	Interest only
The Grove at Lawrence	16,000	15,640	14,679	Prime + 1.50% (6.25% Floor)	6.25%	6.25%	February 2012	Interest only
The Grove at Huntsville	13,355	9,760		LIBOR + 4.00% (6.00% Floor)	6.00%	6.00%	January 2012	Interest only

The Grove at Statesboro	16,130	9,624		LIBOR + 3.50% (5.00% Floor)	5.00%	5.00%	February 2012	Interest only
Fixed rate construction loans								
The Grove at Conway	16,000	11,927	1,377	7.50%	7.50%	7.50%	July 2012	Interest only
Total		$ 77,492	$ 45,438					

(1) At June 30, 2010 (unaudited) and December 31, 2009, The Grove at San Angelo, The Grove at San Marcos and The Grove at Moscow are aggregated under one construction loan facility and are cross-collateralized.

5. Related Party Transactions

HSRE Properties pay property management fees to an affiliate of CCV III for customary property management services. Management fees for the period that properties were in operation during the six months ended June 30, 2010 (unaudited) and the year ended December 31, 2009 totaled approximately $168,000 and $137,000, respectively.

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Until , 2010 (25 days after the date of this prospectus), all dealers effecting transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to a dealer s obligation to deliver a prospectus when acting as an underwriter and with respect to unsold allotments or subscriptions.

Shares

Common Stock

PROSPECTUS

Raymond James
Citi
Goldman, Sachs & Co.
KeyBanc Capital Markets
RBC Capital Markets
Baird

, 2010

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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 31. ***Other Expenses of Issuance and Distribution.***

The following table sets forth the estimated costs and expenses, other than the underwriting discount, structuring fee and a fee payable to Raymond James & Associates, Inc. for services rendered in connection with various financing and purchase and sale arrangements, payable by us in connection with, or contingent upon, the sale of the securities being registered hereby. All amounts shown are estimates except the SEC registration fee and the Financial Industry Regulatory Authority filing fee.

SEC registration fee	$	27,468
Financial Industry Regulatory Authority filing fee	$	39,025
NYSE listing fee	$	*
Printing and engraving expenses	$	*
Legal fees and expenses	$	*
Accounting fees and expenses	$	*
Transfer agent and registrar fees	$	*
Blue sky fees and expenses (including fees of counsel)	$	*
Miscellaneous	$	*
Total	$	*

* To be filed by amendment.

Item 32. ***Sales to Special Parties.***

On March 1, 2010, we issued one share to MXT Capital for aggregate consideration of $0.01. MXT Capital is currently our sole stockholder. The one share was purchased by MXT Capital for investment. We will repurchase this share at cost upon completion of this offering.

Item 33. ***Recent Sales of Unregistered Securities.***

On March 1, 2010, we issued one share to MXT Capital for aggregate consideration of $0.01. MXT Capital is currently our sole stockholder. The one share was purchased by MXT Capital for investment. We will repurchase this share at cost upon completion of this offering. The issuance of such share was deemed and the repurchase of such share will be deemed to be exempt from registration pursuant to Section 4(2) of the Securities Act as a transaction by an issuer not involving a public offering. We did not engage underwriters to assist us with the foregoing sale.

Upon completion of this offering, our operating partnership will acquire MXT Capital s student housing business and interests in our predecessor entities in exchange for approximately OP units. In addition, 319,667 OP units will be issued to certain persons and entities in exchange for their interests in our predecessor entities. Each of MXT Capital and such persons and entities made an irrevocable election to receive these OP units in our formation transactions prior to the filing of this registration statement and has represented to us that it is an accredited investor as defined under Regulation D of the Securities Act. The issuance of these OP units will be effected in reliance upon an exemption from registration provided by Section 4(2) of the Securities Act and Rule 506 of Regulation D promulgated thereunder.

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Item 34. *Indemnification of Directors and Officers*

Maryland law permits a Maryland corporation to include in its charter a provision limiting the liability of its directors and officers to the corporation and its stockholders for money damages except for liability resulting from (1) actual receipt of an improper benefit or profit in money, property or services or (2) active and deliberate dishonesty that is established by a final judgment and is material to the cause of action. Our charter contains such a provision that limits such liability to the maximum extent permitted by Maryland law.

The MGCL requires a Maryland corporation (unless its charter provides otherwise, which our charter does not) to indemnify a director or officer who has been successful in the defense of any proceeding to which he or she is made or threatened to be made a party by reason of his or her service in that capacity. The MGCL permits a corporation to indemnify its present and former directors and officers, among others, against judgments, penalties, fines, settlements and reasonable expenses actually incurred by them in connection with any proceeding to which they may be made or threatened to be made a party by reason of their service in those or other capacities unless it is established that: (1) the act or omission of the director or officer was material to the matter giving rise to the proceeding and (A) was committed in bad faith or (B) was the result of active and deliberate dishonesty; (2) the director or officer actually received an improper personal benefit in money, property or services; or (3) in the case of any criminal proceeding, the director or officer had reasonable cause to believe that the act or omission was unlawful.

However, under the MGCL, a Maryland corporation may not indemnify a director or officer in a suit by or in the right of the corporation in which the director or officer was adjudged liable to the corporation or for a judgment of liability on the basis that a personal benefit was improperly received. A court may order indemnification if it determines that the director or officer is fairly and reasonably entitled to indemnification, even though the director or officer did not meet the prescribed standard of conduct, was adjudged liable to the corporation or was adjudged liable on the basis that personal benefit was improperly received. However, indemnification for an adverse judgment in a suit by us or in our right, or for a judgment of liability on the basis that personal benefit was improperly received, is limited to expenses.

In addition, the MGCL permits a corporation to advance reasonable expenses to a director or officer upon the corporation s receipt of: (1) a written affirmation by the director or officer of his or her good faith belief that he or she has met the standard of conduct necessary for indemnification by the corporation; and (2) a written undertaking by the director or officer or on the director s or officer s behalf to repay the amount paid or reimbursed by the corporation if it is ultimately determined that the director or officer did not meet the standard of conduct.

Our charter authorizes us to obligate ourselves and our bylaws obligate us, to the maximum extent permitted by Maryland law in effect from time to time, to indemnify and, without requiring a preliminary determination of the ultimate entitlement to indemnification, pay or reimburse reasonable expenses in advance of final disposition of a proceeding to (1) any present or former director or officer who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity; or (2) any individual who, while a director or officer of our company and at our request, serves or has served as a director, officer, partner, member, manager or trustee of another corporation, REIT, partnership, limited liability company, joint venture, trust, employee benefit plan or any other enterprise and who is made or threatened to be made a party to the proceeding by reason of his or her service in that capacity.

Our charter and bylaws also permit us to, with approval of the board of directors of our company, indemnify and advance expenses to any person who served a predecessor of ours in

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any of the capacities described above and to any employee or agent of our company or a predecessor of our company.

Following the completion of this offering, we intend to enter into indemnification agreements with each of our directors and executive officers that would provide for indemnification to the maximum extent permitted by Maryland law.

Following the completion of this offering, we intend to purchase and maintain insurance on behalf of all of our directors and executive officers against liability asserted against or incurred by them in their official capacities, whether or not we are required or have the power to indemnify them against the same liability.

Insofar as the foregoing provisions permit indemnification of directors, officers or persons controlling us for liability arising under the Securities Act, we have been informed that, in the opinion of the SEC, this indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Item 35. ***Treatment of Proceeds from Stock Being Registered.***

The consideration to be received by us for the shares registered hereby will be credited to the appropriate capital stock account.

Item 36. ***Financial Statements and Exhibits.***

(a) See Page F-1 for an index of the financial statements that are being filed as part of this registration statement on Form S-11.

(b) The following is a list of exhibits being filed as part of, or incorporated by reference into, this registration statement on Form S-11:

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP and the underwriters named therein.
3.1*	Articles of Incorporation of Campus Crest Communities, Inc.
3.2*	Bylaws of Campus Crest Communities, Inc.
5.1*	Opinion of Saul Ewing LLP with respect to Maryland law.
8.1*	Opinion of Bradley Arant Boult Cummings LLP with respect to tax matters.
10.1*	Amended and Restated Partnership Agreement of Campus Crest Communities Operating Partnership, LP.
10.2***	Campus Crest Communities, Inc. 2010 Incentive Award Plan.
10.3***	Form of Indemnification Agreement.
10.4*	Employment Agreement by and between Campus Crest Communities Operating Partnership, LP and Ted W. Rollins, dated 2010.
10.5*	Employment Agreement by and between Campus Crest Communities Operating Partnership, LP and Michael S. Hartnett, dated 2010.
10.6*	Employment Agreement by and between Campus Crest Communities Operating Partnership, LP and Earl C. Howell, dated 2010.
10.7*	Employment Agreement by and between Campus Crest Communities Operating Partnership, LP and Donald L. Bobbitt, Jr., dated 2010.

10.8*	Employment Agreement by and between Campus Crest Communities Operating Partnership, LP and Shannon N. King, dated 2010.

Exhibit Number	Description of Document
10.9*	Confidentiality and Noncompetition Agreement by and between Campus Crest Communities Operating Partnership, LP and Ted W. Rollins, dated 2010.
10.10*	Confidentiality and Noncompetition Agreement by and between Campus Crest Communities Operating Partnership, LP and Michael S. Hartnett, dated 2010.
10.11*	Confidentiality and Noncompetition Agreement by and between Campus Crest Communities Operating Partnership, LP and Earl C. Howell, dated 2010.
10.12*	Confidentiality and Noncompetition Agreement by and between Campus Crest Communities Operating Partnership, LP and Donald L. Bobbitt, Jr., dated 2010.
10.13*	Confidentiality and Noncompetition Agreement by and between Campus Crest Communities Operating Partnership, LP and Shannon N. King dated 2010.
10.14*	Operating Agreement of HSRE-Campus Crest I, LLC, dated as of November 7, 2008.
10.15*	Credit Agreement for Senior Secured Revolving Credit Facility by and among Campus Crest Communities Operating Partnership, LP, and certain other parties thereto, dated 2010.
10.16*	Tax Protection Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and MXT Capital, LLC, dated 2010.
10.17*	Registration Rights Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and MXT Capital, LLC, dated 2010.
10.18*	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and MXT Capital, LLC, dated May 13, 2010.
10.19***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Carl H. Ricker, Jr., dated May 13, 2010.
10.20***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Flynn Development, LLC, dated April 22, 2010.
10.21***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Mansion Ridge Investment Company, LLC, dated May 6, 2010.
10.22***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Highland Park, LLC, dated May 13, 2010.
10.23***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Marc Rollins, dated May 1, 2010.
10.24***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and P. Andrew Walker, dated May 13, 2010.
10.25***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Joe C. Brumit, II, dated April 19, 2010.
10.26***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and BGY, LLC, dated April 15, 2010.

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Exhibit Number	Description of Document
10.27***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Jerry V. Sternberg, dated May 13, 2010.
10.28***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Marlene Breger Joyce, dated May 13, 2010.
10.29***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Steve Emtman, dated May 10, 2010.
10.30***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and O.A. Keller, III, dated April 29, 2010.
10.31***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and NLR-Cotton Valley Investment, LLC, dated April 19, 2010.
10.32***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Horatio Alger Association Endowment Fund, dated May 4, 2010.
10.33***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Keith M. Maxwell, dated May 9, 2010.
10.34***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Harrison-Zahn Investments, LLC, dated April 19, 2010.
10.35***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Matthew S. O Reilly, dated May 6, 2010.
10.36***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP and certain other parties thereto, dated March 26, 2010.
10.37***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP and Thomas A. Odai dated May 13, 2010.
10.38***	Ground Lease by and between USA Research and Technology Corporation and Campus Crest at Mobile, LLC, dated August 8, 2006.
10.39***	Ground Lease by and between USA Research and Technology Corporation and Campus Crest at Mobile Phase II, LLC, dated March 14, 2008.
10.40***	Ground Lease Agreement by and between Indian Hills Trading Company, LLC and Campus Crest Development, LLC, dated March 20, 2008.
10.41***	First Amendment to Ground Lease Agreement by and between Indian Hills Trading Company, LLC and Campus Crest Development, LLC, dated July 28, 2008.
10.42***	Assignment of Ground Lease Agreement and Purchase Option Agreement by Campus Crest Development, LLC and Campus Crest at Moscow, LLC, dated July 28, 2008.
10.43***	Loan Agreement between General Electric Capital Corporation and Campus Crest at Milledgeville, LLC, dated September 7, 2006.
10.44***	Deed to Secure Debt, Security Agreement and Fixture Filing by Campus Crest at Carrollton, LLC to Wachovia Bank, National Association, dated September 18, 2006.

Exhibit Number	Description of Document
10.45***	Deed of Trust, Security Agreement and Fixture Filing by Campus Crest at Las Cruces, LLC for the benefit of Wachovia Bank, National Association, dated September 22, 2006.
10.46***	Deed of Trust, Security Agreement and Fixture Filing by Campus Crest at Asheville, LLC for the benefit of Wachovia Bank, National Association, dated March 13, 2007.
10.47***	Loan Agreement by and among Campus Crest at Mobile, LLC, Campus Crest at Jacksonville, AL, LLC, Campus Crest at Nacogdoches, LP, Campus Crest at Abilene, LP, Campus Crest at Greeley, LLC, and Campus Crest at Ellensburg, LLC, and Silverton Bank, N.A., dated February 29, 2008.
10.48***	Transfer, Assignment and Assumption Agreement by and among the Federal Deposit Insurance Corporation as receiver and successor-in-interest to Silverton Bank, N.A. and Campus Crest Loan Servicing, LLC, dated March 31, 2010.
10.49***	Construction Loan Agreement by and among Wachovia Bank, National Association, Campus Crest Group, LLC, Campus Crest at Moscow, LLC, Campus Crest at San Angelo, LP and Campus Crest at San Marcos, LP, dated November 18, 2008.
10.50***	First Amendment to Construction Loan Agreement by and among Wachovia Bank, National Association, Campus Crest Group, LLC, Campus Crest at Moscow, LLC, Campus Crest at San Angelo, LP and Campus Crest at San Marcos, LP, dated June 2009.
10.51***	Construction Loan Agreement by and between Campus Crest at Lawrence, LLC and Mutual of Omaha Bank, dated February 13, 2009.
10.52***	First Amendment to Construction Loan Agreement by and between Campus Crest at Lawrence, LLC and Mutual of Omaha Bank, dated March 19, 2009.
10.53***	Construction Loan Agreement by and between Amegy Mortgage Company, L.L.C. d/b/a Q-10 Amegy Mortgage Capital and Campus Crest at Huntsville, LP, dated June 12, 2009.
10.54***	Secured Construction Loan Agreement by and between Centennial Bank, F/K/A First State Bank and Campus Crest at Conway, LLC, dated July 2, 2009.
10.55***	Construction Loan Agreement by and between Campus Crest at Statesboro, LLC and The PrivateBank and Trust Company, dated November 12, 2009.
10.56*	Form of Aircraft Lease.
10.57*	Amendment No. 1 to Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and MXT Capital, LLC, dated , 2010.
21.1*	List of Subsidiaries of the Registrant.
23.1*	Consent of Bradley Arant Boult Cummings LLP (included in Exhibit 8.1).
23.2**	Consent of KPMG LLP.
23.3*	Consent of Saul Ewing LLP (included in Exhibit 5.1).
23.4**	Consent of Michael Gallis and Associates
24.1***	Power of Attorney (included on the Signature Page).
99.1***	Consent of N. Anthony Coles to be named as a proposed director.
99.2***	Consent of Richard S. Kahlbaugh to be named as a proposed director.
99.3***	Consent of Denis L. McGlynn to be named as a proposed director.
99.4***	Consent of William G. Popeo to be named as a proposed director.
99.5***	Consent of Daniel L. Simmons to be named as a proposed director.

* To be filed by amendment

** Filed herewith

*** Previously filed.

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Item 37. ***Undertakings.***

(a) The undersigned registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(b) Insofar as indemnification of liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission that such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

(c) The undersigned registrant hereby undertakes that for the purpose of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance under Rule 430A and contained in a form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4), or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(d) The undersigned registrant hereby undertakes that for the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-11 and has duly caused this Amendment No. 3 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Charlotte, State of North Carolina, on August 17, 2010.

CAMPUS CREST COMMUNITIES, INC.

By:
/s/ Ted W. Rollins

Ted W. Rollins
Co-Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, as amended, this Amendment No. 3 to the registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Ted W. Rollins Ted W. Rollins	Co-Chairman of the Board, Chief Executive Officer and Director (Principal Executive Officer)	August 17, 2010
/s/ Michael S. Hartnett Michael S. Hartnett	Co-Chairman of the Board, Chief Investment Officer and Director	August 17, 2010
/s/ Earl C. Howell Earl C. Howell	President, Chief Operating Officer and Director	August 17, 2010
/s/ Donald L. Bobbitt, Jr. Donald L. Bobbitt, Jr.	Executive Vice President and Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	August 17, 2010

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EXHIBIT INDEX

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP and the underwriters named therein.
3.1*	Articles of Incorporation of Campus Crest Communities, Inc.
3.2*	Bylaws of Campus Crest Communities, Inc.
5.1*	Opinion of Saul Ewing LLP with respect to Maryland law.
8.1*	Opinion of Bradley Arant Boult Cummings LLP with respect to tax matters.
10.1*	Amended and Restated Partnership Agreement of Campus Crest Communities Operating Partnership, LP.
10.2***	Campus Crest Communities, Inc. 2010 Incentive Award Plan.
10.3***	Form of Indemnification Agreement.
10.4*	Employment Agreement by and between Campus Crest Communities Operating Partnership, LP and Ted W. Rollins, dated 2010.
10.5*	Employment Agreement by and between Campus Crest Communities Operating Partnership, LP and Michael S. Hartnett, dated 2010.
10.6*	Employment Agreement by and between Campus Crest Communities Operating Partnership, LP and Earl C. Howell, dated 2010.
10.7*	Employment Agreement by and between Campus Crest Communities Operating Partnership, LP and Donald L. Bobbitt, Jr., dated 2010.
10.8*	Employment Agreement by and between Campus Crest Communities Operating Partnership, LP and Shannon N. King, dated 2010.
10.9*	Confidentiality and Noncompetition Agreement by and between Campus Crest Communities Operating Partnership, LP and Ted W. Rollins, dated 2010.
10.10*	Confidentiality and Noncompetition Agreement by and between Campus Crest Communities Operating Partnership, LP and Michael S. Hartnett, dated 2010.
10.11*	Confidentiality and Noncompetition Agreement by and between Campus Crest Communities Operating Partnership, LP and Earl C. Howell, dated 2010.
10.12*	Confidentiality and Noncompetition Agreement by and between Campus Crest Communities Operating Partnership, LP and Donald L. Bobbitt, Jr. dated 2010.
10.13*	Confidentiality and Noncompetition Agreement by and between Campus Crest Communities Operating Partnership, LP and Shannon N. King, dated 2010.
10.14*	Operating Agreement of HSRE-Campus Crest I, LLC, dated as of November 7, 2008.
10.15*	Credit Agreement for Senior Secured Revolving Credit Facility by and among Campus Crest Communities Operating Partnership, LP, and certain other parties thereto, dated 2010.
10.16*	Tax Protection Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and MXT Capital, LLC, dated 2010.
10.17*	Registration Rights Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and MXT Capital, LLC, dated 2010.
10.18*	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and MXT Capital, LLC, dated May 13, 2010.

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Exhibit Number	Description of Document
10.19***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Carl H. Ricker, Jr., dated May 13, 2010.
10.20***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Flynn Development, LLC, dated April 22, 2010.
10.21***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Mansion Ridge Investment Company, LLC, dated May 6, 2010.
10.22***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Highland Park, LLC, dated May 13, 2010.
10.23***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Marc Rollins, dated May 1, 2010.
10.24***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and P. Andrew Walker, dated May 13, 2010.
10.25***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Joe C. Brumit, II, dated April 19, 2010.
10.26***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and BGY, LLC, dated April 15, 2010.
10.27***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Jerry V. Sternberg, dated May 13, 2010.
10.28***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Marlene Breger Joyce, dated May 13, 2010.
10.29***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Steve Emtman, dated May 10, 2010.
10.30***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and O.A. Keller, III, dated April 29, 2010.
10.31***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and NLR-Cotton Valley Investment, LLC, dated April 19, 2010.
10.32***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Horatio Alger Association Endowment Fund, dated May 4, 2010.
10.33***	Purchase and Sale by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Keith M. Maxwell, dated May 9, 2010.
10.34***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Harrison-Zahn Investments, LLC, dated April 19, 2010.
10.35***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and Matthew S. O Reilly, dated May 6, 2010.

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Exhibit Number	Description of Document
10.36***	Purchase and Sale Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP and certain other parties thereto, dated March 26, 2010.
10.37***	Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP and Thomas A. Odai dated May 13, 2010.
10.38***	Ground Lease by and between USA Research and Technology Corporation and Campus Crest at Mobile, LLC, dated August 8, 2006.
10.39***	Ground Lease by and between USA Research and Technology Corporation and Campus Crest at Mobile Phase II, LLC, dated March 14, 2008.
10.40***	Ground Lease Agreement by and between Indian Hills Trading Company, LLC and Campus Crest Development, LLC, dated March 20, 2008.
10.41***	First Amendment to Ground Lease Agreement by and between Indian Hills Trading Company, LLC and Campus Crest Development, LLC, dated July 28, 2008.
10.42***	Assignment of Ground Lease Agreement and Purchase Option Agreement by Campus Crest Development, LLC and Campus Crest at Moscow, LLC, dated July 28, 2008.
10.43***	Loan Agreement between General Electric Capital Corporation and Campus Crest at Milledgeville, LLC, dated September 7, 2006.
10.44***	Deed to Secure Debt, Security Agreement and Fixture Filing by Campus Crest at Carrollton, LLC to Wachovia Bank, National Association, dated September 18, 2006.
10.45***	Deed of Trust, Security Agreement and Fixture Filing by Campus Crest at Las Cruces, LLC for the benefit of Wachovia Bank, National Association, dated September 22, 2006.
10.46***	Deed of Trust, Security Agreement and Fixture Filing by Campus Crest at Asheville, LLC for the benefit of Wachovia Bank, National Association, dated March 13, 2007.
10.47***	Loan Agreement by and among Campus Crest at Mobile, LLC, Campus Crest at Jacksonville, AL, LLC, Campus Crest at Nacogdoches, LP, Campus Crest at Abilene, LP, Campus Crest at Greeley, LLC, and Campus Crest at Ellensburg, LLC, and Silverton Bank, N.A., dated February 29, 2008.
10.48***	Transfer, Assignment and Assumption Agreement by and among the Federal Deposit Insurance Corporation as receiver and successor-in-interest to Silverton Bank, N.A. and Campus Crest Loan Servicing, LLC, dated March 31, 2010.
10.49***	Construction Loan Agreement by and among Wachovia Bank, National Association, Campus Crest Group, LLC, Campus Crest at Moscow, LLC, Campus Crest at San Angelo, LP and Campus Crest at San Marcos, LP, dated November 18, 2008.
10.50***	First Amendment to Construction Loan Agreement by and among Wachovia Bank, National Association, Campus Crest Group, LLC, Campus Crest at Moscow, LLC, Campus Crest at San Angelo, LP and Campus Crest at San Marcos, LP, dated June 2009.
10.51***	Construction Loan Agreement by and between Campus Crest at Lawrence, LLC and Mutual of Omaha Bank, dated February 13, 2009.
10.52***	First Amendment to Construction Loan Agreement by and between Campus Crest at Lawrence, LLC and Mutual of Omaha Bank, dated March 19, 2009.
10.53***	Construction Loan Agreement by and between Amegy Mortgage Company, L.L.C. d/b/a Q-10 Amegy Mortgage Capital and Campus Crest at Huntsville, LP, dated June 12, 2009.

Exhibit Number	Description of Document
10.54***	Secured Construction Loan Agreement by and between Centennial Bank, F/K/A First State Bank and Campus Crest at Conway, LLC, dated July 2, 2009.
10.55***	Construction Loan Agreement by and between Campus Crest at Statesboro, LLC and The PrivateBank and Trust Company, dated November 12, 2009.
10.56*	Form of Aircraft Lease.
10.57*	Amendment No. 1 to Contribution Agreement by and among Campus Crest Communities, Inc., Campus Crest Communities Operating Partnership, LP, and MXT Capital, LLC, dated , 2010.
21.1*	List of Subsidiaries of the Registrant.
23.1*	Consent of Bradley Arant Boult Cummings LLP (included in Exhibit 8.1).
23.2**	Consent of KPMG LLP.
23.3*	Consent of Saul Ewing LLP (included in Exhibit 5.1).
23.4**	Consent of Michael Gallis and Associates
24.1***	Power of Attorney (included on the Signature Page).
99.1***	Consent of N. Anthony Coles to be named as a proposed director.
99.2***	Consent of Richard S. Kahlbaugh to be named as a proposed director.
99.3***	Consent of Denis L. McGlynn to be named as a proposed director.
99.4***	Consent of William G. Popeo to be named as a proposed director.
99.5***	Consent of Daniel L. Simmons to be named as a proposed director.

* To be filed by amendment

** Filed herewith

*** Previously filed