

GROUND LEASE AGREEMENT

THIS GROUND LEASE AGREEMENT (this "Lease") is made as of the Effective Date (which is the date on which the South Carolina Budget and Control Board Division of General Services executes this Lease as set forth on Page 13 hereof), by and between **HORRY GEORGETOWN TECHNICAL COLLEGE AREA COMMISSION** (the "Landlord") and **HORRY COUNTY SCHOOL DISTRICT** (the "Tenant").

WITNESSETH:

WHEREAS, Landlord is a comprehensive two year community college in South Carolina formed for the purpose of providing education opportunities to the citizens of Horry and Georgetown Counties; and

WHEREAS, Tenant is a county-wide school system in South Carolina formed to provide educational opportunities for grade school children in Horry County; and

WHEREAS, Landlord and Tenant agree that it is in both of their best interest and mutual benefit, and also in the best interest of the citizens of Horry County, for the two entities to cooperate in an Early College Program; and

WHEREAS, Landlord, as its contribution, agrees to Lease a parcel of land on Landlord's Campus upon which Tenant can erect an Early College Facility (as later defined herein); and

WHEREAS, Tenant has agreed to construct the Early College Facility and conduct the Early College Program. "Early College Program" for purposes of this Lease is defined as a program whereby Tenant provides to Tenant's students an opportunity to earn a high school diploma and college credits and/or a college degree simultaneously; and

WHEREAS, the parties agree that the mutual benefits to each party are sufficient consideration for this Lease and each party acknowledges the sufficiency of said consideration upon the execution hereof.

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for and in consideration of the above recitals, and other good and valuable consideration, the parties agree as follows:

PREMISES. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord for the Term (hereinafter defined), at the rental and upon the conditions set forth below, that certain real property containing approximately 2.0 acres of land (the "Land") located on the Horry Georgetown Technical College Campus in Conway, Horry County, South Carolina, described on Exhibit "A" and depicted on Exhibit "A-1", attached hereto and incorporated herein by this reference and to be finally determined by a survey of property to be made by Landlord. The Land, together with all rights, privileges, and appurtenances belonging or in any way pertaining to the Land, is hereinafter referred to as the "Premises".

Landlord also grants to Tenant a non-exclusive easement for the Term of this Lease for ingress, egress, vehicular and pedestrian traffic and parking over, on and across all of the now existing, or to be constructed, drives, roads, loops, parking lots, sidewalks or other general thoroughfares on the Landlord's

Campus (hereinafter the "Tenant's Easements"). Furthermore, Landlord hereby reserves an easement over the Bus Loop, as hereinafter described, and adjoining walkways to be constructed by Tenant on the Premises. It is the intent of the parties hereto that the easements as to all ingress, egress, parking and walkways (vehicular or pedestrian) be reciprocal easements.

1. TERM. The initial term of this Lease shall commence on the Commencement Date (as defined in Paragraph 3 below) and shall end on that date that is the day immediately preceding the fiftieth (50th) anniversary of the Commencement Date (the "Lease Term" or "Term").

2. OPTIONS TO RENEW. Tenant shall have the right to extend the Term of the Lease at the same terms and conditions contained herein for one period of twenty-five (25) years provided there is no continuing event of default hereunder by Tenant and subject to the approval of the South Carolina Budget and Control Board, the Division of General Services and any other necessary State approvals. Tenant shall give Landlord written notice of Tenant's election to extend the Lease at least twelve (12) months prior to the expiration of the existing Term.

3. COMMENCEMENT DATE OF LEASE. The commencement date of this Lease (the "Commencement Date") shall be the Effective Date which is determined by the date of the approval of the South Carolina Budget and Control Board, Division of General Services, as set forth on Page 13 hereof and the Tenant's reimbursement to Landlord of the one-half of the accrued architectural fees related to the Early College Facility, whichever shall occur last. Tenant's one-half is estimated to be \$75,000.00.

4. CONDITIONS PRECEDENT TO TENANT'S OBLIGATION TO LEASE THE PREMISES.

4.1 Site Plan. The Preliminary Site Plan for the Premises is attached hereto as Exhibit "A-1". The Tenant's development of the Premises shall be in substantial conformity with the Preliminary Site Plan.

4.2 Tenant's Approvals and Permits. Tenant shall have the period of one hundred and eighty (180) days after the Commencement Date (the "Permit Period") to complete the following: (i) cause the Plans and Specifications to be prepared for the Early College Facility (as hereinafter defined) and to obtain such permits and regulatory approvals as are necessary for the construction and operation of the Early College Building including: (a) any and all approvals from appropriate regulatory agencies necessary for Tenant to construct and utilize the Premises for Tenant's intended use; and (b) any and all necessary building department, construction, signage, and other applicable permits necessary for Tenant to perform its proposed alterations/improvements to the Premises; (ii) obtain Landlord's approval of the schematic design of the Early College Facility. If Tenant is unable to obtain all necessary permits, regulatory approvals and zoning approval during the Permit Period despite the good faith effort of Tenant to do so, Tenant shall have the option to terminate the Lease without penalty and neither party shall have any further obligation to the other hereunder or the parties may mutually agree to extend the Permit Period for a reasonable time in order to allow for Tenant's necessary approvals. If Tenant has not elected to terminate the Lease by the end of the Permit Period, Tenant shall be deemed to have waived the right to terminate the Lease during the Permit Period.

5. TENANT'S WORK AND CONTRIBUTION OBLIGATIONS.

5.1 Bus Loop Improvements. The "Bus Loop" on the Premises shall be installed by Tenant, at its sole cost and expense. Tenant shall provide Landlord a copy of the plans for the Bus Loop

Improvements within the Permit Period for Landlord's approval, said approval is not to be unreasonably withheld or delayed.

5.2 Early College Facility. Tenant shall construct a prototypical educational facility, as determined by Tenant (the "Early College Facility"), on the Premises. This Early College Facility shall substantially conform to the architectural renderings provided by Landlord to Tenant as to the exterior of the facility. During the Permit Period, Tenant shall deliver to Landlord a schematic design for the Early College Facility drawn to scale (the "Design") for Landlord's review and approval, said approval not to be unreasonably or unduly withheld. Within fifteen (15) days of receipt of the Design, Landlord shall notify Tenant of any changes Landlord may reasonably require. If Landlord fails to notify Tenant of any such changes within such fifteen (15) day period, Landlord shall be deemed to have approved Tenant's Design.

5.3 Plans and Specifications. Tenant's Plans and Specifications shall substantially confirm with the Design approved by Landlord pursuant to Paragraph 5.1 above. Any material departure of the Plans from the Design must be approved by the Landlord, said approval not to be unreasonably withheld.

5.4 Impact Fees and Meter Fees. Tenant shall be responsible for payment of any and all fees generally referred to as impact fees that may be imposed by governmental authorities and meter fees assessed for connection to utilities provided on the Premises. Landlord shall be responsible for bringing all of the necessary utilities to the Premises as set forth in Paragraph 6.1 below.

6. LANDLORD'S WORK OBLIGATIONS.

6.1 Premises Design and Condition. Landlord shall, at Landlord's cost and expense, prepare all related design documents including utilities, drainage, earthwork, and information related to the Premises. Design of Premises shall include all customary utilities necessary to operate Tenant's proposed facility within five (5) feet of the building on the Premises. Within thirty (30) days of the commencement of the Permit Period, Landlord shall deliver to Tenant plans and specifications for the construction of utilities, drainage and earthwork related to the Premises drawn to scale for Tenant's review and coordination, said coordination not to be unreasonably or unduly withheld. Within fifteen (15) days of receipt of Landlord's Plans, Tenant shall notify Landlord of any changes Tenant may reasonably require.

6.2 Premises Delivery Date. Landlord shall, at Landlord's sole cost and expense, deliver the Premises to Tenant in a graded and finished condition, free of all hazardous materials and contamination. Landlord shall be responsible for any pre-existing environmental conditions as further set forth in Paragraph 6.4 below. Landlord agrees to deliver the Premises as set forth in Paragraph 6.1 above not later than the expiration of the Permit Period (the "Premises Delivery Date"). If Landlord fails to deliver the Premises prior to the expiration of the Permit Period, Tenant shall have the right to terminate the Lease without penalty and neither party shall have any further liability hereunder.

6.3 Recording of Plat and Memorandum of Lease. Within thirty (30) days after the Commencement Date, Landlord shall complete the following: (i) upon mutual agreement of Landlord and Tenant of the dimensions, configuration and area of the Land, Landlord, at its sole cost and expense, shall prepare a plat for the Premises and take all actions necessary to have the plat approved by the appropriate governmental authorities and the Premises subdivided and separately assessed for real estate tax purposes; and (ii) enter into and record a Memorandum of Lease substantially in the form attached hereto as Exhibit "C" and incorporated herein by reference (the "Memorandum of Lease").

6.4 Compliance with Laws. Landlord further represents and warrants to Tenant that to the best of Landlord's knowledge it has not received any notice that the Premises are not in full compliance

with all state, federal and local laws, ordinances and regulations (including all environmental regulations). Landlord warrants and represents to the best of its knowledge, that no use, storage, treatment, or transportation of toxic or hazardous wastes, materials, or substances, or any other substance that is prohibited, limited or regulated by any governmental or quasi-governmental authority or that, even if not so regulated, could or does pose a hazard to health and safety of the occupants of the Premises (collectively "Hazardous Substances") has occurred in or on the Premises during Landlord's period of ownership. Landlord agrees to be responsible for any and all actual and direct claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, any and all sums paid for settlement of claims, attorneys' fees, consultant fees, and expert fees) arising from any pre-existing environmental condition.

6.5 Drainage and Stormwater Management Facilities. Landlord, at its sole cost, shall be responsible for permitting, constructing and maintaining adequate site drainage and stormwater management facilities required to serve the Premises, the design of which shall be subject to the approval of Tenant, not to be unreasonably withheld or delayed. Landlord hereby reserves the right to divert stormwater from properties adjacent to the Premises into the pond on the Premises provided the pond has sufficient capacity. Landlord shall also have the right to alter or improve / upgrade any of the above described facilities, including work described in Section 6.1 above, provided Landlord returns the Premises to its original condition.

6.6 Construction of Tenant's Easement. Landlord, at its sole cost, shall obtain all necessary approvals for, and construct the means of ingress and egress to the Premises and the Car Loop drop off as shown on Exhibit "B", such approvals shall include, but not be limited to, the approval of Tenant and the approval of all required governmental authorities. These access ways shall be a part of the general driving and parking scheme for the Landlord's Campus and shall include access off of University Boulevard to the Premises.

6.7 Temporary Construction Easement. Landlord hereby grants to Tenant a temporary construction easement for improving the Premises. Landlord will provide two sites to be used for the storage of materials by Tenant. One such site shall be within the Premises on the area designated as the car loop and one site will be upon a vacant portion of the Campus. These sites are to be generally identified on the Site Plan attached as Exhibit "B".

6.8 Car Loop Improvements. The "Car Loop" adjacent to the Premises shall be installed by Landlord, at its sole cost and expense. Tenant shall have a non-exclusive easement over and across the Car Loop as provided above. Landlord shall provide Tenant a copy of the plans for the Car Loop within the Permit Period for Tenant's coordination and approval, said approval is not to be unreasonably withheld or delayed.

7. PERMITTED USE; LANDLORD'S RIGHT TO RECAPTURE DUE TO FAILURE TO OPERATE.

(a) The Premises may be used and occupied by Tenant (and its assignees and subtenants as permitted herein) for educational purposes and other closely related activities of Tenant which further its educational purposes (the "Permitted Use"). Tenant's uses of the Premises shall in no event be directly competitive with Landlord.

(b) Tenant shall maintain the Premises in accordance with the standards set forth in this Lease, until expiration or earlier termination of this Lease. In no event may Tenant cease to conduct business at the Premises for more than three hundred sixty (360) consecutive days at any time during the Term. In the event Tenant fails to conduct business for a continuous period of three hundred sixty (360)

days, Landlord shall have the right to terminate this Lease and recapture the Premises on sixty (60) days notice to Tenant provided that Landlord pays to Tenant the amount determined by Paragraph 28 below. Upon Landlord's recapture of the Premises pursuant to this Paragraph 7(b), the Lease shall terminate and neither party shall have any further obligation to the other hereunder except the Landlord's payment to Tenant pursuant to Paragraph 28.

(c) Landlord may establish reasonable rules and regulations (the "Rules and Regulations") applicable to the use and operation of the Premises and Tenant's Easements. The Rules and Regulations shall apply uniformly and shall be uniformly enforced and non-discriminatory. Tenant agrees to enforce the Rules and Regulations; provided, however, in the event of a conflict between the terms of this Lease and the Rules and Regulations, the terms of this Lease shall control with respect to Tenant. Any such change to Rules and Regulations shall be mutually approved upon by both parties and shall be attached hereto as Exhibit "D". The required approval is not to be unreasonably withheld by either party.

8. RENT.

8.1 Rental. As rental (the "Rental" or "Rent") for the Premises during the initial Term and, if exercised by Tenant, the Renewal Term(s) of this Lease, it is the agreement of the parties that Tenant shall pay to Landlord the sum of One and 00/100 (\$1.00) Dollar. This Rent shall be paid on the Commencement Date of the Lease and then on the first day of each calendar year thereafter.

8.2 Additional Rent/Common Area Expenses. Tenant shall not be required to pay any additional rent or expense for any share of common area maintenance for the Tenant's Easements unless the maintenance or repairs are caused by the negligence of Tenant.

9. PERSONAL PROPERTY TAXES. Tenant shall pay before delinquency all taxes, assessments, license fees, and other charges, if any, that are levied and assessed against Tenant's personal property installed or located in or on the Premises and that become payable during the Term hereof, if any. If any taxes on Tenant's personal property are levied against Landlord or Landlord's property and if Landlord pays the taxes on any of these items, Tenant, within thirty (30) days of receipt of a detailed invoice therefor, shall immediately reimburse Landlord the sum of the taxes levied on Tenant's personal property against Landlord.

10. REAL PROPERTY TAXES AND ASSESSMENTS. If any taxes are to be assessed, Landlord and Tenant shall use their best efforts to cause the tax bills to be sent directly to Tenant from the tax collector and to cause the Premises to be assessed separately and apart from any other land or improvements. Tenant agrees to pay directly to the taxing authority all taxes, assessments and any other impositions or charges, if any, which may be taxes, and are charged, levied, assessed or imposed from and after the Rent Commencement Date and during the Term of this Lease upon all or any portion of the Premises, and the improvements on the Premises. Tenant shall pay the real property taxes not later than ten (10) days before the taxing authority's delinquency date and immediately furnish Landlord with evidence of such payment. If Tenant shall fail to pay any such taxes, assessments or other charges, Landlord shall have the right to pay the same, in which case Tenant shall reimburse Landlord for such amount paid by Landlord within thirty (30) days of written notice to Tenant of Landlord's payment thereof, together with any late charge, interest and/or penalties paid by Landlord.

11. ADDITIONAL SERVICES PROVIDED BY LANDLORD. Landlord agrees to provide Tenant campus security for the exterior of the Premises in like manner and in accordance with the same standards as it applies in the execution of providing security for the remainder of its campus. In addition, the Landlord agrees to provide exterior ground maintenance including all exterior landscaping, ground maintenance, and debris removal. It shall be the responsibility of the Tenant to provide all landscaping,

shrubby, irrigation, sidewalks, screening as reasonably determined and mutual agreed to both parties. The scope of Landlord's Services may be enlarged, diminished or terminated by mutual agreement of the parties.

12. MAINTENANCE OF PREMISES. Throughout the Term of this Lease and any renewals and extensions thereof, if any, Tenant, at its sole expense, shall maintain all portions of the Premises and improvements thereon in good condition, ordinary wear and tear excepted. Such maintenance shall include without limitation the building, bus loop drives, sidewalks, electrical, lighting facilities and equipment located on Premises. All landscaping and grounds maintenance shall be provided by the Landlord as described in Paragraph 11 above.

13. ALTERATIONS AND ADDITIONS. Tenant shall have the right to make at any time any alterations, additions, or improvements to the Premises as Tenant deems reasonable, in its sole discretion, without the prior written consent of Landlord; provided, however, material exterior changes to the building shall require Landlord's prior written consent, not to be unreasonably withheld, conditioned, or delayed. Except as provided in Paragraph 15 below, all alterations, additions and improvements which may be made or installed upon the Premises shall remain upon and be surrendered with the Premises and become the property of Landlord at the termination of this Lease. The initial improvements to the Premises shall be constructed by Tenant, at Tenant's sole cost and expense, and in accordance with plans and specifications approved by Landlord, which approval shall not be unreasonably withheld or delayed (the "Plans"). For purposes of this Paragraph 13, a "material change" shall be defined as any change for which the total cost is in excess of \$50,000.00 or which involves the exterior design and color of the building.

14. SIGNAGE. Tenant shall have the right to install, at Tenant's sole cost and expense, subject to any approved governmental law, rule, ordinance, or regulation, the maximum allowable building signage permitted by local government authorities, subject to approval by Landlord, not to be unreasonably withheld, and the appropriate governmental authority.

15. EQUIPMENT, FIXTURES. Tenant shall have the right to erect, install, maintain and operate on, and remove from, the Premises such equipment, trade and business fixtures, signs and other personal property as Tenant may deem necessary or appropriate (together, "Tenant's Business Equipment") including but not limited to the following, whether or not installed so as to be fixtures under applicable law: telephone and other communications systems and equipment (including any antennae and related equipment), security systems, computer systems and printers and other computer-related equipment, furniture, furnishings, books, files and records, and such shall not be deemed to be part of the Premises, but shall remain the property of Tenant (i.e., unless left on the Premises for more than sixty (60) days after the termination of this Lease, in which event all such items shall be deemed abandoned by Tenant and shall become the property of Landlord).

16. ASSIGNMENT AND SUBLETTING.

(a) Tenant shall have the right to sublease all or a portion of the Premises, to permit occupancy of all or a portion of the Premises, and to assign its interest in this Lease to any Affiliated Entity, as hereinafter defined, without obtaining Landlord's consent. "Affiliated Entity" for purposes of this provision is defined as any entity which controls, is controlled by, or is under common control with, Tenant, or any entity that succeeds to Tenant by merger, consolidation, reorganization or other form of reorganization (which shall specifically include a charter school approved by Tenant).

(b) Tenant may sublease in part to, or permit the occupancy of any portion of the Premises by, any other entity or party, with the prior written consent of Landlord, which shall not unreasonably be

withheld providing said uses shall relate to or support the educational purposes of Tenant. Any such sublease shall be subject to the use restrictions in Section 7(a) above.

17. UTILITY CHARGES. Tenant shall obtain all necessary utility services and agrees to pay before delinquency all charges and tap fees for any utilities furnished to and used by Tenant at the Premises, including, but not limited to, water, electricity, gas, telecommunications, rubbish, and sewage disposal.

18. INSURANCE.

(a) Tenant shall insure the Premises against loss or damage by fire and other casualties included in a standard All Risks policy form in an amount not less than one hundred percent (100%) of the replacement value thereof. This insurance shall include Builder's Risk Insurance during the construction of the Tenant's Improvements.

(b) Tenant agrees to maintain, or cause to be maintained with South Carolina Budget and Control Board, Comprehensive General Liability Insurance with limits of at least \$1,000,000.00 (per occurrence /annual aggregate) and to name Landlord as additional named insured.

(c) Landlord agrees to maintain, or cause to be maintained with South Carolina Budget and Control Board, Comprehensive General Liability Insurance with limits of at least \$1,000,000.00 (per occurrence /annual aggregate) and to name Tenant as additional named insured.

(d) It is agreed and understood that the insurance coverages provided for herein may be maintained pursuant to master policies of insurance covering other locations of Tenant. All insurance policies required to be maintained by Tenant hereunder shall name Landlord as a loss payee or an additional insured, as appropriate.

19. DAMAGE BY FIRE OR OTHER CASUALTY. If any portion of the Premises or any improvements erected thereon, if any, should be destroyed by fire or other casualty, Tenant shall immediately deliver written notice thereof to Landlord and commence to rebuild or repair any such damage at Tenant's sole cost and expense. However, if the improvements on the Premises are substantially destroyed, Tenant may elect to terminate this Lease by giving Landlord notice of said termination within Sixty (60) days of the casualty. Substantial destruction for purposes of this Lease shall mean more than Fifty (50%) percent of the improvements being destroyed. If Tenant elects to rebuild or repair such damage, all insurance proceeds payable under Tenant's property insurance and under any property insurance policies covering the Land shall be paid to Tenant to be applied to the cost of repair. The repairs shall be pursued in a commercially reasonable manner with no undue delay by Tenant. If Tenant does not elect to rebuild or repair such damage Tenant shall immediately clean and clear the Premises and return same to Landlord in the same condition as when Leased to Tenant.

20. LIABILITY. Landlord shall not be liable to Tenant or Tenant's employees, students, patrons or invitees, or any person whomsoever, for any injury to person or damage to property on or about the Premises (other than that caused by the willful act or negligence of Landlord or Landlord's employees or agents). Tenant shall not be liable to Landlord or Landlord's employees, agents, patrons or invitees, or any person whomsoever, for any injury to person or damage to property on or about the Premises or the Campus (other than that caused by the willful act or negligence of Tenant or Tenant's employees or agents). Each party represents and acknowledges to the other that any recoveries to either party from the other are subject to the limitations on liability imposed by the South Carolina Tort Claims Act and the parties will look solely to the general liability coverage of the other party for recovery.

21. CONDEMNATION. If, during the Term hereof, there is any taking of all or any part of the Premises by condemnation or by transfer in lieu of condemnation, the rights and obligations of the parties shall be determined as set forth below.

Should all or such part of the Premises, be taken in such a manner as to interfere materially with Tenant's use and occupancy thereof or cause the Premises to fail to comply with any applicable law or other legal requirement, then Tenant, by delivering written notice to the Landlord within thirty (30) days after such taking, may terminate this Lease, which date of termination shall be the actual date of taking. Tenant shall be entitled to an award for the value of the then-existing building and other improvements constructed upon the Premises by Tenant and moving expenses. Landlord shall be entitled to the balance of such awards and payments, including, but not limited to, the awards attributable to the Land.

In the event of a partial taking of the Premises and this Lease is not canceled pursuant to the terms hereof, then this Lease shall terminate only as to the part so taken as of the date of the taking. That portion of the Premises remaining after the taking shall thereafter be referred to as the "Premises". In the event of such partial taking, Landlord shall be entitled to any and all awards and payments except that Tenant shall be entitled to that portion and any award allocated or attributable to the taking of any of Tenant's interest in the Premises. In such event, Tenant shall restore any improvements affected by such taking to an architecturally whole condition.

Neither Landlord nor Tenant shall be responsible or liable to the other for any taking and any award by settlement or litigation shall be the sole responsibility of the party claiming an interest in the property taken.

22. DEFAULTS BY TENANT; REMEDIES.

22.1 Defaults by Tenant. The occurrence of any one or more of the following events shall, upon the expiration of the applicable cure period, constitute a material default and breach of this Lease by Tenant:

(a) The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be observed or performed by Tenant. However, Landlord and Tenant agree that failure to pay the Rent provided for in Paragraph 8.1 shall not be deemed a default as the parties agree that this is a nominal amount that is to be paid solely as an acknowledgment of the previously recited consideration; or

(b) The making by Tenant of any general assignment for the benefit of creditors; the filing by or against Tenant of a petition to have Tenant adjudged as bankrupt or of a petition for reorganization or arrangement under any law relating to bankruptcy (unless in the case of a petition filed against Tenant, the same is dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of substantially all of Tenant's assets located in the Premises or of Tenant's interest in this Lease, where possession is not restored to Tenant within sixty (60) days; or the attachment, execution or other judicial seizure of substantially all of Tenant's assets located at the Premises or Tenant's interest in this Lease, where such seizure is not discharged within sixty (60) days.

22.2 Right to Cure. Notwithstanding anything herein to the contrary, the occurrence of any event described in Paragraph 22.1(a) shall not be deemed a default under or breach of this Lease by Tenant unless and until Landlord has given written notice to Tenant of any such default or breach by Tenant and Tenant has failed to cure such default or breach within thirty (30) days after Tenant received notice thereof. Provided, however, that if the nature of Tenant's default or breach is such that more than thirty (30) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if

Tenant commences such cure within the original thirty (30) day period and thereafter diligently prosecutes the cure to completion.

22.3 Remedies. In the event of any default or breach by Tenant as described above in this Paragraph 22, Landlord may at any time thereafter, and without limiting Landlord in the exercise of any other right or remedy which Landlord may have by reason of such default or breach, exercise any one or more of the following remedies:

- (a) Seek payment of all amounts due under this Lease, when due.
- (b) Terminate Tenant's right to possession of the Premises by any lawful means, in which case this Lease shall terminate and Tenant shall immediately surrender possession of the Premises to Landlord.
- (c) Maintain Tenant's right to possession, in which case this Lease shall continue in effect and Landlord shall be entitled to enforce all of Landlord's rights and remedies under this Lease.
- (d) Pursue any other remedy now or hereafter permitted or available to Landlord under the laws or judicial decisions of the State of South Carolina.
- (e) Cure the default of Tenant itself; provided that if Landlord, by reason of Tenant's default, pays any sum or does any act that requires the payment of any sum, the sum paid by Landlord shall be immediately due from Tenant to Landlord.

23. DEFAULT BY LANDLORD. Landlord shall perform all conditions and covenants required to be performed by Landlord, as set forth in this Lease, including, but not limited to, making all payments required by Landlord to be made on any obligation secured by the real property subject to this Lease. Notwithstanding anything herein to the contrary, Landlord shall not be deemed to be in default under this Lease unless and until Tenant has given written notice to Landlord (and, if requested by Landlord, to Landlord's mortgagee if the mortgagee or Landlord has notified Tenant in writing of its interest and the address to which such notices are to be sent) of any such default by Landlord and Landlord has failed to cure such default within thirty (30) days after Landlord received notice thereof. Provided, however, that if the nature of Landlord's default is such that more than thirty (30) days are reasonably required for a cure, then Landlord shall not be deemed to be in default if Landlord commences such cure within the original thirty (30) day period and thereafter diligently prosecutes the cure to completion within an additional 30-day period. In the event Landlord should be in default of any obligation as herein set forth in this Paragraph 23, or in any other manner under this Lease, and the applicable cure period has expired, Tenant shall be entitled to cure the default, at Tenant's option, including the payment of monies directly to the party to whom the obligation is owed, or Tenant may terminate this Lease by notice to Landlord at any time before the default is cured, or Tenant may pursue any other remedy now or hereafter permitted or available to Tenant under the laws or judicial decisions of the State of South Carolina. In the event of any such payment by Tenant and the failure of Landlord to reimburse Tenant within thirty (30) days of the date of Tenant's written demand for reimbursement, Tenant shall receive credit toward any rent due to Landlord to the extent of any payment made.

24. LANDLORD'S ENTRY ON PREMISES. Landlord, or its authorized representative, shall have the right to enter the Premises at reasonable times in order to determine whether the Premises are in good condition, whether Tenant is complying with its obligations under this Lease, and if Tenant is in compliance with the Rules and Regulations. Notwithstanding the foregoing, Landlord shall not have access to secured areas of the Premises.

25. MECHANICS' LIEN. At all times during the Term of this Lease, Tenant shall indemnify, defend and hold harmless Landlord against all liens and claims of liens for labor, services, materials, supplies, or equipment performed on or furnished to the Premises at the direction or order of Tenant. Tenant may contest any claim, charge or lien (including but not limited to mechanics' and materialmen's liens) and such contest on the part of Tenant and any failure to pay or perform the matter under contest, shall not be or become a breach or default under this Lease so long as the contest is conducted diligently, in compliance with applicable law, and by proceedings sufficient to prevent enforcement of the matter under contest or by payment of bond and Tenant shall pay any amount adjudged by a court of competent jurisdiction to be due, with all costs, interest and penalties thereon, before the judgment becomes subject to execution against the Premises.

26. TENANT'S SURRENDER OF PREMISES.

26.1 Upon expiration of the Term, or earlier termination pursuant to the terms hereof, Tenant shall surrender to Landlord the Premises and such improvements and alterations as have become part of the Premises pursuant to the terms hereof (subject to Landlord's obligations to repay Tenant in Paragraph 27 hereof). Such fixtures, furnishings, equipment or alterations which Tenant has a right to remove or is obligated to remove under the provisions hereof shall be removed and repairs made for damages caused to the Premises not later than sixty (60) days following the expiration or termination of this Lease. Tenant shall surrender the Premises without any material damage to the Premises (ordinary wear and tear and damage by casualty and condemnation excepted) occasioned by the removal of Tenant's trade fixtures, furnishings and equipment and Tenant shall be responsible for any repairs required as a result of such damage. All furnishings, fixtures and equipment used in the improvements and on the Premises and supplied and installed at the cost and expense of Tenant at all times shall be the sole property of Tenant.

27. TENANT'S RIGHT TO EARLY TERMINATION. Tenant has the right to terminate this Lease at any time after the fifth (5th) anniversary of the Commencement Date providing Tenant gives Landlord one hundred eighty (180) days notice of said termination. In the event of such early termination, Landlord agrees to pay to Tenant the Appraised Value established pursuant to Paragraph 28 below.

28. LANDLORD'S OBLIGATIONS UPON EXPIRATION OR TERMINATION OF LEASE. Upon expiration of Term or election to terminate by Tenant, Landlord shall pay to the Tenant the value of Tenant's Improvements (the "Appraised Value"). If the parties are unable to agree upon the valuation, the value shall be established as follows: Each party shall have the right to select an appraiser of its choice to appraise the Tenant's Improvements. If the appraisers selected by the parties cannot agree on a valuation, the lower of the two appraised values shall be determined to be the purchase price. The parties agree that the value of the Landlord's land shall not be included in the Appraised Value so that Landlord shall pay only for the depreciated value of the Tenant's Improvements (not replacement cost). Any appraisals to be conducted pursuant to this section shall be conducted only after Tenant has removed any of Tenant's Business Equipment pursuant to Paragraph 15 above. In no event will the Landlord be required to pay more than Tenant's original construction costs plus ten (10%) percent. The payment from Landlord to Tenant of the amount determined by this Section shall be paid in full within two (2) years of the termination or expiration of the Lease. The obligation shall be evidenced by a promissory note and shall be secured by a lien on the Premises or other security acceptable to Tenant. However, if the Appraised Value is such that there is negligible value to the Tenant's Improvements at termination or expiration of the Lease, in lieu of any payment, Landlord may require Tenant to remove all Tenant Improvements and return the Premises to a finished grade comparable to the condition at the inception of this Lease.

The parties acknowledge that any purchase of the Tenant's Improvements by Landlord, whether upon expiration or termination of the Lease, shall be subject to the approval of the Joint Bond Review Committee, the Budget and Control Board, and/or any other approvals which are required at the time of acquisition by Landlord.

29. ATTORNEYS' FEES. If any legal action or other proceeding is brought for the enforcement of this Lease, or because of an alleged dispute under this Lease, or a breach of or default under this Lease, or to interpret this Lease or any of the provisions hereof, the successful or prevailing party shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding whether or not the action or proceeding goes to final judgment, in addition to any other relief which it or they may be entitled to.

30. COUNTERPARTS. This Lease may be executed in any number of counterparts with the same force and effect as if all signatures were appended to one document, each of which shall be deemed an original.

31. INVALIDITY. If any term or provision of this Lease or application thereof is held invalid or unenforceable as to any party, the balance of the Lease shall not be affected thereby, and each remaining term and provision of this Lease shall be valid and shall be enforced to the fullest extent permitted by law.

32. NOTICE. Except as otherwise provided herein, any notice to be given hereunder by either party to the other shall be in writing and shall be deemed to be delivered upon the earlier of (i) when actually received at the office of the respective party, i.e., whether by delivery or mail, or (ii) whether actually received or not, on the first business day after it has been deposited with a nationally recognized overnight mail courier service, or (iii) whether actually received or not, three (3) business days after it has been deposited in the United States mail, postage fully prepaid, registered or certified mail, addressed as set forth below (or, if a change of address has been designated by the immediately succeeding sentence, then to the primary address specified in such notice), it being agreed that notices to a party's designated copy recipient(s) are to be undertaken but are not required for a notice to the party to be valid. Notices shall be addressed as set forth below, but each party can change its address by written notice to the other in accordance with this Paragraph 32:

If to Landlord:

Horry Georgetown Technical College
Area Commission

Conway, SC 29526
Attention: President

If to Tenant:

Horry County School District

Conway, SC 29526
Attention: Superintendent of Education

33. NON-WAIVER. Any waiver or breach of the covenants herein contained to be kept and performed by either party hereto shall not be deemed or considered as a continuing waiver and shall not operate to bar or prevent the other party hereto from declaring a forfeiture, termination, or cancellation for any succeeding breach either of the same condition or covenant or otherwise. Acceptance of any payment required hereunder shall not be deemed a waiver.

34. MISCELLANEOUS. The agreements contained herein shall not be construed in favor of or against either party, but shall be construed as if all parties prepared this Lease. Masculine and neuter genders, the singular number and the present tense, shall be deemed to include the feminine gender, plural number and past and future tenses, respectively, where the context so requires. The paragraph headings herein are used only for the purposes of convenience and shall not be deemed to limit the subject of the paragraphs hereof.

35. TITLE TO PREMISES; QUIET ENJOYMENT. Landlord represents to Tenant that Landlord has full legal right to enter into this Lease. Upon Tenant paying the Rental reserved hereunder and observing and performing all of the covenants, conditions and provisions on Tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Premises for the entire Term of this Lease.

36. COMMISSION. Landlord represents and warrants to Tenant, and Tenant represents and warrants to Landlord that neither party has incurred any liability, contingent or otherwise, for brokerage or finder's fee or agent's commissions or other like payments in connection with this Lease, or the transactions contemplated hereby.

37. FORCE MAJEURE. Neither party shall be liable for any delay or failure to perform its nonmonetary obligations hereunder due to (and the time for performance of any covenant shall be deemed extended by the time last due to) any causes beyond its reasonable control, including, without limitation, fire, accident, act of the public enemy, war, rebellion, insurrection, sabotage, transportation delay, labor dispute, shortages of material, labor, energy or machinery, or act of God, act of government or the judiciary.

38. AUTHORITY. Tenant and Landlord each warrant and represent to the other that the person(s) signing this Lease on such party's behalf has authority to do so and to bind such party to the terms, covenants and conditions herein. Each party hereto shall deliver to the other promptly upon request all documents reasonably requested by the other evidencing such authority.

39. COOPERATIVE EFFORTS. This Lease shall be liberally construed in order to promote a harmonious relationship between the parties with regard to the construction, occupancy and use of the Early College Facility recognizing the mutual benefits of the Early College Program for each party. The parties agree to fully and effectively cooperate with each other to accomplish the purposes and objectives of this Lease. If an issue arises that this Lease does not directly or indirectly address, the parties shall use their best efforts to work with one another to determine a mutually satisfactory solution.

40. INTENTIONALLY OMITTED AND RESERVED.

41. NON-COMPETITION. During the Term of this Lease, neither the Landlord nor Tenant, either for itself or in conjunction with any affiliate, associate or other entity, directly or indirectly, shall carry on or be engaged in any activity or program which shall at any time is or become involved in the programs or activities of other party (as set forth hereinabove). The parties have entered into this Lease for the mutual benefits to be derived from the relationship by each party. It is the intent that neither party shall conduct any activity which would directly or indirectly compete with that of the other party. The parties further agree that this non-competition agreement is applicable to the Premises and the Conway Campus of Landlord.


42. APPLICABLE LAW. This document and all matters related hereto shall be governed by, construed and enforced in accordance with the laws of the State of South Carolina.

43. EXHIBITS. The exhibits attached hereto are incorporated herein and made a part hereof.

IN WITNESS WHEREOF, this Lease has been executed by the parties hereto as of the later of the dates accompanying a signature by Landlord and Tenant below.


LANDLORD:

**HORRY GEORGETOWN TECHNICAL COLLEGE
AREA COMMISSION**

By: 
Name: William Ken Rinkler
Title: President Chairman
Date of Landlord's Signature: 4-19, 2011

TENANT:

**SCHOOL DISTRICT OF HORRY COUNTY,
SOUTH CAROLINA**


Chairman, Horry County Board of Education acting as the
Board of Trustees
Date of Tenant's Signature: 4/15, 2011

This Lease is approved in accordance with South Carolina Code of Regulations Section 19-447.1000 by South Carolina Budget and Control Board, Division of General Services, this 3rd day of May, 2011.


Charles R. Platt
Director

(The Lease was approved by South Carolina Budget and Control Board at its May 2, 2011 meeting.)

EXHIBIT "A"

LEGAL DESCRIPTION

Legal Description of the Premises

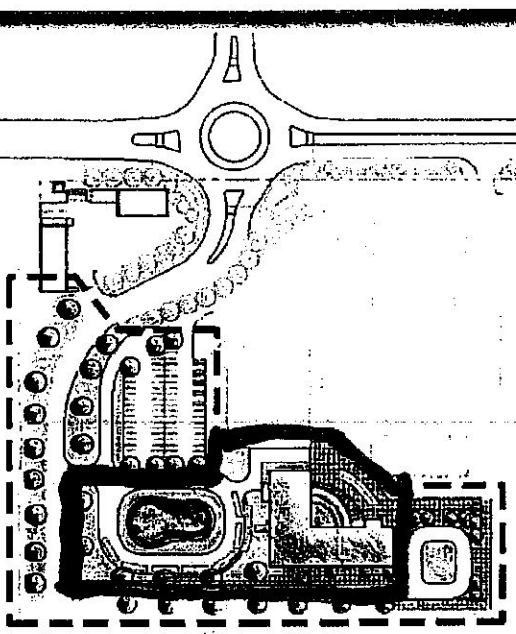
[TO BE ADDED UPON RECEIPT AND APPROVAL OF SURVEY TO BE PROVIDED BY
LANDLORD]

EXHIBIT “A-1”

SITE PLAN FOR THE PREMISES

"Premises"
 Approximately 2 AC
 Bldg 400 - ECHS

Establishment of New
 Campus Access Drive & Drop-Off



New 2 to 3 Story Building gives
 Early College a New Home ✓

New dedicated Bus Loop
 and Improved Drainage ✓

Street Trees and Landscaping

Phase Two Improvements take
 place while 300 & 400 are occupied.

Phase Two - New Early College Building



EXHIBIT "C"

MEMORANDUM OF LEASE

EXHIBIT “D”

RULES AND REGULATIONS