

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT)

LEASE AGREEMENT

THIS LEASE AGREEMENT (the "Agreement") is made and entered into this, the ____ day of _____, 2016, by and between the BEAUFORT COUNTY SCHOOL DISTRICT (hereinafter, the "BCSD" or the "Lessor"), with a mailing address of Post Office Drawer 309, Beaufort, South Carolina 29901, and HOLY TRINITY CLASSICAL CHRISTIAN SCHOOL (hereinafter, the "Lessee"), with a mailing address of Post Office Box 368, Beaufort, South Carolina 29901.

WHEREAS, the Parties hereto executed a Lease Agreement on or about May 10, 2012, and Lessee exercised its option to extend said Lease Agreement through and including July 31, 2016;

WHEREAS, the Parties desire to execute a new Lease Agreement for the same premises, which shall take effect August 1, 2016.

In consideration of the covenants contained herein and other valuable consideration received and with the intent to be legally bound, Lessor and Lessee agree as follows:

1. **PREMISES.** Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, that certain parcel of real property together with any and all improvements thereupon, more particularly described in Exhibit 1 attached hereto and incorporated by reference herein, all of which is hereinafter referred to as the "Premises." The Premises has a street address of 302 Burroughs Avenue, Beaufort, South Carolina 29906, and is designated as Property Number R120-003-000-0420-0000 on the Beaufort County Tax Map.

2. **TERM.** The initial term (the "Initial Term") of this Agreement shall be for a period of seven (7) years, commencing on August 1, 2016, and ending at midnight on July 31, 2023. Provided it is not then in default, Lessee shall have the option to renew the Initial Term for one (1) additional two (2) calendar year term (the "Additional Term"), commencing on August 1, 2023, and ending at midnight on July 31, 2025. Lessee must notify Lessor, in writing, prior to January 1, 2023, to exercise such option. The Lease terminates at the conclusion of the Term.

3. **EARLY TERMINATION OF TERM.** Lessee shall have the option to terminate the Initial Term as set forth in Paragraph 2, hereinabove, effective July 31, 2021. Lessee must notify Lessor, in writing, on or before August 1, 2020 (the "Early Termination Notice Date"), of its desire exercise this early termination provision. Lessee's failure to provide such written notice on or before the Early Termination Notice Date shall require Lessee to fulfill the Term of this Agreement.

4. **RENT DURING TERM.**

A. The annual rent to be paid by Lessee to Lessor during each calendar year of the Term shall be as follows:

1. August 1, 2016, to July 31, 2017 - \$191,047.00
2. August 1, 2017, to July 31, 2018 - \$193,913.00
3. August 1, 2018, to July 31, 2019 - \$196,822.00
4. August 1, 2019, to July 31, 2020 - \$199,774.00
5. August 1, 2020, to July 31, 2021 - \$202,770.00
6. August 1, 2021, to July 31, 2022 - \$205,812.00
7. August 1, 2022, to July 31, 2023 - \$208,899.00
8. August 1, 2023, to July 31, 2024 - \$212,033.00 (if option renew is exercised by Lessee in accordance with Paragraph 1, *supra*)
9. August 1, 2024, to July 31, 2025 - \$215,213.00 (if option renew is exercised by Lessee in accordance with Paragraph 1, *supra*)

B. The annual rental amount shall be paid by Lessee to Lessor in twelve (12) equal monthly installments.

C. Rent payments shall be due and payable no later than the first calendar day of each calendar month.

5. **SECURITY DEPOSIT.** A Security Deposit in the amount of \$10,000 was paid by Lessee to Lessor on or before August 1, 2012, as security for the full and faithful performance by Lessee of all the terms of this Lease required to be performed by Lessee. Such sum was deposited by Lessor into an interest-bearing account and said sum, together with the interest thereon, shall be returned to Lessee after the expiration of this Lease, provided Lessee has fully and faithfully carried out all of its terms.

6. **UTILITIES.** Lessee shall have the sole responsibility for payment to third parties for the utilities (including, without limitation, heating and air conditioning, gas, water and sewer, electricity, internet access and telephone service) that are provided to and consumed on the Premises during the Term of this Lease.

7. **FURNITURE/FIXTURES AND EQUIPMENT.** Premises is provided "as is" and exclusive of any furniture, fixtures and equipment to include such items as interactive whiteboards, kitchen small wares, gym equipment, desks, chairs, tables, etc.

8. **SIGNAGE.** School signage will be provided by Lessee. Lessee shall not install any signage on the outside or inside of the building without prior written permission of the Lessor, which permission shall not be unreasonably withheld or delayed.

9. **INSURANCE.** During the Term, Lessee shall maintain, at its sole expense, property and casualty insurance and flood insurance, with the following basic understandings: (i) Lessor must be named a loss payee on the insurance policy; (ii) Lessee is responsible for insuring its own personal property against loss; (iii) Lessee shall maintain public liability insurance for at least the minimum liability amounts stated in the South Carolina Tort Claims Act, as may be amended from time to time; and (iv) certificates of insurance reasonably acceptable to the Lessor shall be presented to the Lessor by the Lessee prior to the commencement of the Initial Term and

prior to any extension thereof. A certificate of insurance must be provided to Lessor on an annual basis.

10. USE OF PREMISES. Lessee shall use the Premises to operate a private, not for profit school.

11. LESSEE MODIFICATIONS. Lessee shall be permitted, at its sole cost and expense, to make modifications to the Premises with prior written approval of the Lessor, said approval not to be unreasonably withheld. Upon expiration of this Agreement, Lessee may elect to remove Lessee's alterations, additions or improvements and restore the Premises to its former condition, normal wear and tear excepted. Improvements permanently attached to the building shall remain in or on the Premises unless removal of such items is approved in advance by Lessor. Lessor allows Lessee to install and use portables (mobile units) on the Premises upon prior approval of the BCSD Facilities Department, which will not be unreasonably withheld. Lessee is solely responsible for meeting any and all zoning requirements relative to the installation and use of mobile units on the Premises. Should Lessee install mobile units on the Premises, at the conclusion of the Term, Lessee shall remove the mobile units and return the Premises to the original or better condition than exists prior to installation and use.

12. MAINTENANCE. Lessor represents that to the best of its knowledge, the improvements on the Premises are in structurally sound condition, and the mechanical, electrical, plumbing, heating and cooling systems, appliances and fixtures in good working order. Lessor shall provide capital maintenance and repairs to the Premises during the Term, including electrical repairs, heating and air conditioning repairs, plumbing repairs and replacement. Notwithstanding anything to the contrary, however, Lessee must provide its own grounds maintenance, security service, fire alarm service, cleaning and janitorial service, and provide for its own trash and recycling disposal. Calls upon Lessor for capital maintenance and repairs must be made in accordance with reasonable directions and procedures established by the Lessor.

13. QUIET ENJOYMENT. Lessee shall have the right to quietly enjoy the Premises during the leasehold term, subject only to Lessor's right to enter upon the Premises to inspect the same and to make necessary repairs as provided in Paragraph 12, *supra*.

14. COMPLIANCE WITH LAW. Lessee and Lessor warrant, each unto the other, that they have the power and authority to enter into this Lease and that they shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Lessee's use of the Premises.

15. ASSIGNMENT AND SUBLETTING. Lessee shall not assign this Lease or sublet all or any portion of the Premises, or Lessee's improvements, without the prior written consent of the Lessor, which may be granted or withheld in its sole discretion. No such assignment or subletting shall in any way relieve Lessee of any of its obligations in this Lease. This section shall apply to all successive assignments and subleases.

16. FIRE AND CASUALTY. If the Premises, or any material part thereof, shall be damaged or destroyed by fire or any other casualty whatsoever during the Term, then Lessor

shall, within a reasonable time and in a reasonable manner, and using the insurance proceeds provided by Lessee and its insurance company for such purpose, restore the Premises as nearly as possible to such condition as existed immediately prior to such casualty. If such casualty makes unusable a portion of the Premises which does not exceed 50%, then Lessee shall pay a reduced rent proportionate to the space which is available and usable; however, if such casualty makes unusable a portion of the Premises which exceeds 50%, then Lessee's obligation to pay rent shall be abated in full until Lessee, exercising all reasonable diligence, shall have restored the Premises as nearly as possible to such condition as existed immediately prior to such casualty.

17. LOSS AND DAMAGE. Unless caused by negligence of Lessor, Lessor will not be liable for any loss, damage or theft of any property of Lessee or others kept or stored in or about the Premises. Lessee acknowledges that it is Lessee's responsibility to insure its own property and improvements.

18. DEFAULT. If a party shall breach a provision of this Lease and fail to cure the default within five (5) days of written notice thereof, the non-defaulting party shall have the right to pursue any and all available remedies at either law or equity.

19. NO WAIVER. The failure of Lessor or Lessee to require strict performance by the other of any covenant, term or condition of this Lease is not a waiver for the future of any breach of the same or any other covenant, term or condition herein. Lessor's acceptance of rent is not a waiver of any breach of Lessee.

20. REMEDIES CUMULATIVE. To the extent permitted by law, the rights and remedies of Lessor herein are cumulative, and the exercise of any one of them will not be deemed to be in exclusion of any other. The rights and remedies herein are in addition to any rights and remedies available to Lessor at law or equity.

21. RIGHT TO CURE OTHER'S DEFAULT. If either Lessor or Lessee fails to perform any covenant, term or condition of this Lease, the other party may, after giving reasonable notice, perform such covenant, term or condition and expend whatever sums may be necessary. All sums expended shall be repaid on demand. This performance shall not waive any rights or remedies which either party may have against the other for such default.

22. TIME OF ESSENCE. Time is of the essence of this Agreement.

23. SURRENDER AND HOLDING OVER. No surrender of the Premises or this Lease shall be effective unless accepted in writing by Lessor. At the expiration or sooner termination of this Lease, Lessee will remove its effects and peaceably deliver possession of the Premises to Lessor in as good repair and condition as they were at the commencement of this Lease, ordinary wear and tear and fire or other casualty damage excepted. Any property left on the Premises after Lessee vacates or abandons the Premises shall be deemed abandoned and Lessor may remove, store and/or dispose of the same as it sees fit, subject to applicable law. If Lessee holds over beyond the expiration or termination of this Lease and rent is accepted by Lessor, a month to month tenancy shall be created which will otherwise be governed by the

terms and conditions of this Lease. Nothing in this section shall be construed as consent to any holding over by Lessee.

24. NOTICES. All notices and communications under this Lease shall be in writing and shall be deemed to be properly given upon the first to occur of the following: (i) upon receipt by the party to whom such communication is being given; or (ii) three (3) business days after being duly deposited in the United States mail, certified or registered, return receipt requested and addressed as follows:

To Lessee: Holy Trinity Classical Christian School
Post Office Box 368
Beaufort, South Carolina 29901
Attention: Headmaster

To Lessor: Beaufort County School District
Attn: Chief Finance and Operations Officer
Post Office Drawer 309
Beaufort, South Carolina 29901

With copy to: Beaufort County School District
Attn. General Counsel
Post Office Drawer 309
Beaufort, South Carolina 29901

25. ESTOPPEL. Lessor and Lessee each certify to the other that (a) the other party is not in default under this Lease as of the date of its actual execution, and (b) as pertaining to this Lease only, that all payments and performance obligations of each party due and payable or to be performed prior to the date of actual execution of this Lease have been paid or performed, as the case may be.

26. ENTIRE AGREEMENT. The parties acknowledge that they have read and understand the terms of this Lease. This Lease contains the entire agreement and understanding between the parties regarding the Premises and is subject to no agreements, conditions or representations that are not expressly set forth herein. This Lease may only be amended in a writing signed by both Lessor and Lessee.

EXHIBIT 1 – PREMISES DESCRIPTION

LOTS 4-9 SEC C WEST SHORE S/D SITE OF BATTERY CREEK ELEMENTARY SCHOOL
SPLIT 4/2010 4.31 AC 3/842-844 PB127 P90

ACKNOWLEDGEMENTS:

BEAUFORT COUNTY SCHOOL DISTRICT

By: Mary M. Cordray
Its: Chairperson

Before these two (2) witnesses:

(1) _____ (2) _____

The foregoing instrument was acknowledged before me this _____ (date) by _____, the _____ of the Beaufort County School District.

SWORN TO BEFORE ME THIS _____ DAY OF _____, 2016.

NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: _____

HOLY TRINITY CLASSICAL CHRISTIAN SCHOOL

By:
Its:

Before these two (2) witnesses:

(1) _____ (2) _____

The foregoing instrument was acknowledged before me this _____ (date) by _____, the _____ of the Holy Trinity Classical Christian School.

SWORN TO BEFORE ME THIS _____ DAY OF _____, 2016.

NOTARY PUBLIC FOR SOUTH CAROLINA
My Commission Expires: _____