MEMORANDUM OF UNDERSTANDING
REGARDING NEW RIVER CAMPUS BUILDING AND LAND LEASES

Beaufort County and the University of South Carolina have determined that two leases are required, one for real property and a second for buildings.

It also has been determined by USC Counsel and forwarded to Beaufort County that the buildings lease does not require South Carolina Budget and Control Board approval, given the value of the lease.

The University of South Carolina and Beaufort County have made substantial progress and have developed both draft leases. The University and the County have reached substantial agreement on the Buildings Lease, with a signing date at hand.

However, the Real Property Lease has yet to be approved by the South Carolina Budget and Control Board, and it appears that it will not be so approved prior to the date of required occupancy, Monday, August 2nd, 2004, 12:00 Noon, due to unforeseen time constraints.

Both parties agree that this Memorandum of Agreement is a temporary bridge agreement between Beaufort County and the University of South Carolina to enable the University to occupy the New River Campus's Hargray Building on August 2nd, 2004, 12:00 Noon for registration of students for the 2004 Fall Term.

That the terms of this Memorandum of Agreement are reasonable and prudent steps based upon the parties' agreement to plan and build the New River Campus within Beaufort County, in that:

The County and University have long stated that leasing said land was the combined intent of both parties.

The County and University have developed a suitable draft Buildings Lease for buildings that will be executed prior to August 2nd.

This temporary agreement will enable the entities to gain needed approvals related to said Real Property Lease by the South Carolina Budget and Control Board.

That there is no reason to believe that said Real Property Lease will not be approved by the South Carolina Budget and Control Board, and Beaufort County and the University of South Carolina are committed to do what is necessary to gain approval of said lease.

Both parties have agreed to the placement of appropriate insurances, having made suitable arrangements for said coverage's required by both parties.

[Date]

Gary Kubic, Beaufort County Administrator

Dr. Jane Upshaw, Chancellor, University of South Carolina, Beaufort

Stacy D. Bradshaw
Witness

Herman K. Schneider
Witness