

ORDINANCE NO.: 2002-018

*Authorizing execution of a Lease for Parking Lots A and B
to the University of South Carolina for the Arena/Conference Center*

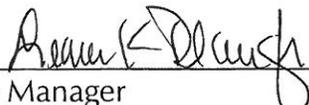
BE IT ORDAINED by the Mayor and Council of the City of Columbia, South Carolina, this
13th day of March, 2002, that the City Manager or Commissioner for Public Safety/First
Assistant City Manager is hereby authorized to execute the attached Lease for Parking Lots A
and B with the University of South Carolina for the lease of the property described in the
attached lease and shown on the attached drawing.

ORIGINAL
STAMPED IN REC.

Requested by:


MAYOR

Approved by:


City Manager

Approved as to form:


City Attorney

ATTEST:


City Clerk

Introduced: 3/1/2002

Final Reading: 3/13/2002

necessary to meet such governmental requirements, including the landscaping ordinance of the City of Columbia, South Carolina, which will be adopted prior to the completion of the surface parking facility (collectively the "Governmental Requirements"). In general, the plans and specifications for the improvements are described on Exhibit B attached hereto (the "Improvements"). The plans and specifications shall be subject to modification as deemed appropriate by Lessor, subject to Lessee's approval in the event of any material decrease in the number of parking spaces, with such approval not to be withheld unreasonably. Lessor shall utilize commercially reasonable efforts to complete the Improvements as promptly as practicable, but shall have no liability for delays in completion of the same.

SECTION THREE

TERM

The term (the "Term") of this Lease shall be for 35 years from the date the Improvements have been substantially completed and the Premises are ready for use for the intended purpose. The commencement date of the Term shall be confirmed by an appropriate supplement to this Lease executed by Lessor and Lessee. Notwithstanding the end of the Term, Lessor shall have exclusive access to the Premises during the time periods set forth hereafter for 5 additional years after the expiration of the Term for student parking. The Premises shall be made available for such use from the hours of 7:00AM to 5:00PM on Monday through Friday, except for Federal or State holidays on which Lessee is not holding classes or examinations, and Lessee shall be entitled to retain all revenue generated from such use. No amount shall be due from Lessee for such use during the additional 5-year period. Irrespective of the foregoing, such student parking use shall be permitted only so long as the Arena (hereafter defined) is being operated for its

intended purpose as an entertainment and sports facility. (The latter period referenced herein is referred to as the "Student Parking Period".)

The term "Arena" means the arena facility containing approximately 17,500 seats being constructed immediately north of the Premises by Lessee.

SECTION FOUR

RENT

Lessee shall pay Lessor the sum of Three Million Five Hundred Thousand Dollars (\$3,500,000) representing rent due for the entire Term, including the Student Parking Period. Of this sum, \$2,500,000 shall be paid to Lessor simultaneously with execution of this Lease by Lessee and the balance of \$1,000,000 shall be paid to Lessor by Lessee within 30 days after receipt by Lessee of notice from Lessor of substantial completion of the improvements in accordance with the applicable construction contract, as evidenced on a Certificate of Substantial Completion (Form G-704) executed by the project architect (a copy of which shall be provided to Lessee with the foregoing notice).

SECTION FIVE

WARRANTIES AND QUIET POSSESSION

Lessor warrants that Lessor has full right, power and authority to enter into this Lease and covenants that Lessee shall peaceably and quietly have, hold and enjoy the Premises during the Term.

SECTION SIX

COMPLIANCE WITH LAWS

During the Term, Lessee shall conform to and observe all laws, ordinances, rules and regulations of governmental authorities having jurisdiction over the Premises or the improvements thereon or the use thereof; provided, however, that nothing herein contained shall be construed as preventing or interfering with the contestation by Lessee, at its own expense, of any such ordinance, rule or regulation that it may consider unlawful or oppressive, and Lessee shall not be considered in default with respect to such contested matter so long as the matter shall remain undetermined by final judgment.

SECTION SEVEN

SUBLETTING AND ASSIGNMENT

Lessee may not transfer or assign this Lease or any right or interest hereunder, or sublet the Premises or any part thereof, except a wholly owned subsidiary or affiliate of the University of South Carolina (the "University") without the prior written consent of Lessor, which consent shall not be withheld if the transfer, assignment or sublease is to the then current owner of the Arena or manager thereof and in any event shall not be withheld unreasonably. Any such transfer, assignment or sublease shall be subject to all of the terms and conditions of this Lease and no such transfer, assignment, or sublease shall relieve Lessee from any liability under this Lease, which shall remain unaffected thereby.

SECTION EIGHT

USE, MAINTENANCE AND CONTINUED OPERATION

Lessee has been informed that the acquisition of and the improvements to the Premises are being financed with the proceeds of bonds and the interest on such bonds is intended to be excluded from gross income for federal income tax purposes (the "Tax-Exempt Bonds"). Lessee has been informed that the Internal Revenue Code of 1986, as amended, (the "Code") imposes certain restrictions on the use of the facilities financed with the proceeds of the Tax-Exempt Bonds. In order to comply with the requirements of the Code, Lessee agrees that the Premises shall be utilized solely for student parking and parking by natural persons constituting the general public. The parking by the general public shall not be subject to any arrangement that conveys priority rights or other preferential benefits and shall be at no charge or on the basis of rates that are generally applicable and uniformly applied.

Notwithstanding the previous paragraph, Lessee may enter into an arrangement with a person (other than a natural person or other than a state or local governmental entity) for use of the Premises (a "Private User") if the arrangement: (1) provides no priority rights or other preferential treatment that is not on the same basis as the general public; (2) charges rates that are generally applicable and uniformly applied (taking into account, different rates to different classes of users, such as volume purchasers, if the differences in rates are customary and reasonable); and (3) provides for a term of use no greater than 200 days (including all renewal options).

Notwithstanding the previous two paragraphs, Lessee may enter into an arrangement with a Private User for use of the Premises if (1) the term of the use under the arrangement (including all renewal options) is not longer than 50 days; (2) the arrangement is a negotiated arms-length arrangement; and (3) the compensation under the arrangement is at fair market value.

Notwithstanding the previous three paragraphs, Lessee may enter into an arrangement with a Private User for use of the Premises (which does not satisfy the requirements of any of the previous three paragraphs) as long as the sum of the days in any calendar year subject to such arrangements does not exceed 35.

The requirements of the previous four paragraphs shall apply only during the period while the Tax-Exempt Bonds remain outstanding. Lessee agrees to keep records of the use of the Premises that are sufficient to prove Lessee's compliance with the provisions of this Section. The Premises shall be utilized only as a surface parking facility, subject to the terms of the preceding paragraphs of this section, unless consent of Lessor is otherwise obtained, which consent shall not be withheld unreasonably.

The Premises shall be kept in good order and repair by Lessee at Lessee's sole cost and expense, and Lessee shall make all repairs and replacements, ordinary as well as extraordinary, foreseen and unforeseen, structural or otherwise, that may be necessary or required in or about the same so that at all times the Improvements, including all components, systems, fixtures, open areas, landscaping, lighting and other site features shall be in good order, condition, and repair. Landscaping placed on the Premises by Lessor pursuant to Section Two shall be maintained by Lessee in reasonable condition and no material alterations in the landscaping shall be made without the approval of Lessor, which approval shall not be withheld unreasonably. Irrespective

of the foregoing, Lessee shall not be required to make any repairs or correct any condition arising out of or related to a construction defect or warranty item to the extent Lessor or Lessee is pursuing third parties who may have liability for correction of the matter.

No Hazardous Materials (hereafter defined) shall be permitted to be generated, stored, handled or disposed of on or about the Premises; provided, however, that this provision shall not be applicable to materials located on the Premises used by occupants in the normal course of business so long as the same are stored, utilized and disposed of in accordance with all applicable Governmental Requirements and environmental laws and are of a type and quantity normally found in commercial facilities and other premises dedicated to the uses permitted herein and which do not represent any material danger to persons or property if an accident were to occur with respect thereto.

SECTION NINE

TAXES AND ASSESSMENTS

During the Term and to the extent Lessee is not otherwise exempt from any such taxes and assessments, Lessee shall pay and discharge all ad valorem real property taxes and assessments, whether general or special, which may be levied, assessed, charged or imposed or which may become a lien or charge against the Premises. Nothing herein shall be deemed a waiver by Lessee of any rights to be exempt from any such taxes or assessments. All such taxes for periods before and after the Term shall be prorated between Lessor and Lessee.

Lessee shall have the right to contest the amount or validity, in whole or in part, of any tax or legal requirement applicable to the Premises or Lessee's use by appropriate proceedings and may defer payment of such imposition or compliance pending the resolution of Lessee's

challenge so long as such deferral does not put Lessor's interest in the Premises at risk. Upon the termination of such proceedings, Lessee shall pay the amount determined to be due, if the payment was deferred during such proceedings, together with any costs, fees, interest, penalties or other associated liabilities. Lessor shall join in any such proceedings or permit the same to be brought in its name if required by law but Lessor shall not be subjected to any liability, cost or expense in connection with any such proceedings. Lessee shall be entitled to receive any refund of any imposition, penalties or interest which have been paid by Lessee, or which have been paid by Lessor and for which Lessor has been fully reimbursed.

SECTION TEN

UTILITIES

During the Term, Lessee shall pay all charges for water, electricity, lighting, gas, telephone, sewer, trash collection and any and all other present and future utility bills and utility connection costs for the Premises.

SECTION ELEVEN

PERMITS AND LICENSES

Lessor agrees, promptly upon request of Lessee, and without cost to Lessor, (a) to join in any and all applications for permits, licenses, easements and other authorizations required by or requested of any governmental or other body claiming jurisdiction with respect to any zoning requests, signs or construction work, and (b) to join in any grants for easements for electricity,

telephone, gas, water, sewer, drainage, access and such other public utilities as may be reasonably necessary or desirable in the operation of the Premises or any improvements erected thereon.

SECTION TWELVE

LESSEE'S IMPROVEMENTS, MECHANICS' LIENS

Lessee shall have the right, but not the obligation, to construct, reconstruct, alter or remove any improvements on or about the Premises at any time and from time to time during the Term, so long as the same reasonably supports use of the Premises for surface parking, subject to Lessor's approval, which approval shall not be withheld unreasonably. Any such improvements shall be considered Lessee's property throughout the Term. Any improvements attached to and a part of the Premises at the expiration or sooner termination of this Lease shall become the property of Lessor at that time.

All furniture, trade fixtures, equipment, signs, trade dress and other personal property on the Premises shall remain Lessee's sole property and shall be removed by Lessee within 30 days after the termination of this Lease. All such personal property not removed within this 30-day period shall become the property of Lessor.

Lessee shall be entitled to any and all insurance proceeds covering any damage or destruction of any improvements on or about the Premises.

Lessee shall have no power to subject the Premises or Lessor's interest in the Premises to any mechanics' or other liens. If any mechanics' or other liens or order for the payment of money shall be filed against the Premises or any building or improvement thereon by

reason of or arising out of any labor or material furnished or alleged to have been furnished or to be furnished to or for Lessee at the Premises, or for or by reason of any change, alteration, or addition or the cost or expense thereof or any contract relating thereto, Lessee shall cause the same to be discharged of record against the Premises, by bond or otherwise as allowed by law at the expense of Lessee, within 180 days after written demand therefor (but in any event within 30 days after any judgment is entered or order of foreclosure issued), and shall also defend on behalf of Lessor at Lessee's sole cost and expense, any action, suit, or proceeding that may be brought thereon or for the enforcement of those liens, lien or orders, and Lessee shall promptly pay any judgment, claim or damage resulting therefrom. Irrespective of the foregoing, Lessor may waive the bonding requirement set forth above in the exercise of its sole and absolute discretion so long as the interests of Lessor are fully protected.

SECTION THIRTEEN
INDEMNIFICATION OF LESSOR

To the fullest extent permitted by South Carolina law, Lessee covenants and agrees that during the Term, Lessor shall not be liable or responsible for damages for any personal injury or injuries, death(s), damages, or losses to any person(s) or property that may be suffered or sustained by Lessee or any subtenant(s) or any of their respective agents, servants, employees, patrons, customers, invitees, visitors, licensees, and concessionaires or by any other person or persons in, on or about the Premises or any part thereof, arising from Lessee's failure to keep or cause to be kept the Premises in good condition and repair, or arising from the use or occupancy of the Premises by Lessee or subtenant(s) or any of their respective agents, servants, employees,

patrons, customers, invitees, visitors, licensees and concessionaires. To the fullest extent permitted by South Carolina law, Lessee covenants and agrees to indemnify and save Lessor harmless from and against any and all liability, costs and expenses for damages, losses, injuries, or death to persons or damages or losses to property which may be imposed upon or incurred by or asserted against Lessor related directly or indirectly to the condition of the Premises or Lessee's use or occupancy thereof, excluding, however, any matter arising solely out of the willful misconduct or gross negligence of Lessor.

SECTION FOURTEEN

INSURANCE

Lessee shall, throughout the Term, at its sole cost and expense, provide and keep in force with responsible insurance companies, commercial general liability insurance. Lessor (and upon request, Lessor's mortgagee) shall be named as an insured against liability to any person whomsoever based on or arising out of or in connection with the loss from which Lessor is indemnified above; provided, however, that this provision shall not be applicable to the extent Lessor cannot be named as an additional insured under any insurance policy provided by or through the State of South Carolina (or any related agency or entity). Such liability insurance shall be in an amount of not less than the greater of (a) \$5,000,000 per occurrence; or (b) the liability insurance limits normally maintained for similar facilities in the Southeastern United States which are publicly owned (or privately owned, if Lessee is not a governmental entity) and may be part of a blanket insurance coverage applicable to Lessee. Irrespective of the foregoing, so long as the University is the lessee under this Lease, the University shall be required only to

maintain a State Tort Insurance Policy issued through the State of South Carolina (the "State") in the amount of \$1,000,000 (or such higher amount as generally made available by the State to the University for parking facilities).

SECTION FIFTEEN

LESSEE DEFAULT

An event of default by Lessee shall be deemed to exist under this Lease if Lessee shall fail to comply with any term, provision or covenant of this Lease and shall fail to cure the default within 60 days (or such longer grace period as may otherwise be specified in this Lease) after written demand to cure is received by Lessee from Lessor. If a default cannot, despite Lessee's reasonable attempts, be cured within the applicable grace period, then Lessee shall be entitled to an additional reasonable period of time if Lessee has begun to cure such default during such grace period and diligently pursues such cure to completion.

SECTION SIXTEEN

REMEDIES

Following any event of default by Lessee as specified in Section Fifteen, Lessor's remedy shall be an action for damages and/or specific performance and Lessor has no right to terminate this Lease except with respect to an event of default related to the non-payment of rent as specified in Section Four (which non-payment continues for more than 60 days after written demand to cure it given by Lessor to Lessee).

SECTION SEVENTEEN

CONDITION

Lessee acknowledges and agrees that except as set forth below, Lessor has not made, does not make and specifically negates and disclaims any representations, warranties, promises, covenants, agreements or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present or future, of, as to, concerning or with respect to the Premises, including, without limitation, (a) the value, nature, quality or condition of the Premises; (b) the water, soil and geology of the Premises, (c) the income to be derived from the Premises, (d) the suitability of the Premises for any and all activities and uses which Lessee may conduct thereon, (e) the compliance of or by the Premises or its operation with any laws, rules, ordinances or regulations of any applicable governmental authority or body, (f) the habitability, merchantability, marketability, profitability or fitness for a particular purpose of the Premises, (g) the manner or quality of the construction or materials, if any, incorporated into the Premises, (h) the manner, quality, state of repair or lack of repair of the Premises, or (i) any other matter with respect to the Premises. Lessor has not made, does not make and specifically disclaims any representations regarding compliance with any environmental protection, pollution or land use laws, rules, regulations, orders or requirements, including the existence in or on the Premises of Hazardous Materials. The term "Hazardous Materials" shall mean any substance that is or contains (i) any "hazardous substance" as now or hereafter defined in '101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. '9601 et seq.) ("CERCLA") or any regulations promulgated under CERCLA; (ii) any

"hazardous waste" as now or hereafter defined in the Resource Conservation and Recovery Act (42 U.S.C. '6901 et seq.) ("RCRA") or regulations promulgated under RCRA; (iii) any substance regulated by the Toxic Substances Control Act (15 U.S.C. '2601 et seq.); (iv) gasoline, diesel fuel, or other petroleum hydrocarbons; (v) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (vi) polychlorinated biphenyls; (vii) radon gas; and (viii) any additional substances or materials which are now or hereafter classified or considered to be hazardous or toxic under any environmental law, ordinance, rule or regulation, now or hereinafter enacted, or the common law, or any other applicable laws relating to the Premises.

Lessee shall be entitled to monitor the progress of construction of the Improvements to assure completion in a good and workmanlike manner and to the fullest extent permitted in the construction contract, shall be named as a third party beneficiary of the contract to the extent applicable to the Improvements, with the right to enforce all warranties provided by the contractor and other similar rights in the event of the discovery of any defects in materials or workmanship related to construction of the Improvements. During the one year warranty period set forth in the construction contract, Lessor shall be responsible to enforce the provisions of the construction contract for the benefit of Lessee. To the extent any claim arises against the contractor after the one year warranty period, Lessor shall cooperate with Lessee in pursuing claims against the contractor or any other professional who may have liability so long as Lessor is not required to expend any material amounts related thereto, and Lessee shall be the primary party who pursues all such claims.

SECTION EIGHTEEN

NON-MERGER

There shall be no merger of this Lease, or of Lessee's leasehold estate, with the fee estate in and to the Premises in the event that this Lease, the leasehold estate or any interest in either is held directly or indirectly by or for the account of any person who shall own the fee estate in the Premises or any portion thereof, or should either party, its successors or assigns, convey its interest in the Premises to the other party. No merger shall occur unless and until all persons then having an interest in this Lease or the leasehold estate, including trustees and secured parties under any leasehold mortgages and any mortgages upon the fee estate in the Premises, shall join in a written instrument expressly terminating this Lease.

SECTION NINETEEN

EFFECT OF EMINENT DOMAIN

In the event the entire Premises shall be taken under the power of eminent domain by any public or quasi-public authority, or shall be conveyed under threat of condemnation, this Lease shall terminate and expire as of the date of such taking.

In the event a portion of the Premises is taken and the remainder of the Premises shall not be reasonably suitable for the use then being made of the Premises by Lessee and Lessor is unable to provide additional adjacent property or make other accommodations to correct any situation created by the taking to Lessee's reasonable satisfaction, or if the remainder of the

Premises is a divided parcel of property, Lessee shall have the right to terminate this Lease as of the date of such taking by giving to Lessor notice of such termination within 60 days after Lessor's notice to Lessee of the taking. If Lessee does not terminate this Lease, it shall continue in full force and effect as to the part not taken.

In any condemnation involving the Premises or access, Lessee shall be entitled to all awards related to the loss of the use of the Premises during the balance of the Term (and damage, if any, to the remainder of the Premises not taken for such period) and Lessor shall be entitled to all other awards.

SECTION TWENTY

ATTORNEYS' FEES

If any action at law or in equity shall be brought to recover any rent under this Lease, to address any breach of this Lease by either party, to enforce or interpret any provision of this Lease, or to recover possession of the Premises, then the prevailing party shall be entitled to recover from the other party as part of the prevailing party's costs and reasonable attorneys' fees, the amount of which shall be fixed by the court and shall be made a part of any judgment or decree rendered.

SECTION TWENTY-ONE

PARTIES BOUND

The terms, conditions and covenants of this agreement shall bind and inure to the benefit of the parties and their respective heirs, successors, executors, administrators and assigns.

SECTION TWENTY-TWO
RULES OF CONSTRUCTION

This Lease contains all of the understandings by and between the parties concerning the leasing of the Premises, and all prior or contemporaneous agreements on this subject have been merged in, or are superseded by, this Lease. This Lease may be amended, modified, altered, changed, revoked or rescinded in whole or in part only by an instrument in writing signed by each of the parties. Wherever Lessor's consent is required, such consent shall not be unreasonably withheld. Captions are for convenience only. They are not a part of this Lease and do not limit or amplify the terms and provisions of this Lease.

SECTION TWENTY-THREE
ESTOPPEL CERTIFICATES

Lessor and Lessee shall from time to time upon request furnish without charge a certificate identifying the components of the Lease, stating whether or not the Lease is in full force and effect and setting forth the dates to which the rent and any other charges have been paid. A prospective purchaser, lender or assignee may rely upon any such statement.

SECTION TWENTY-FOUR

NO BROKER

Each party represents to the other that it has dealt with no broker in connection with this Lease.

SECTION TWENTY-FIVE

RESERVATION

In the event Lessor determines that it is appropriate to proceed with the construction of structured parking on the Premises or any portion thereof, Lessor shall so notify Lessee and advise Lessee in advance of the intended design of the same. All structured parking shall be undertaken in accordance with reasonable design standards for the construction of a structured parking facility in keeping with the quality of the improvements in the area. Lessor agrees to commence construction of structured parking only during the period of June 1st through August 15th unless extraordinary circumstances exist which necessitate an alternate construction commencement date and the approval of Lessee is obtained, with such approval not to be withheld unreasonably. If Lessee suffers any economic loss from Lessor's construction activities, Lessor shall be responsible for reimbursing Lessee therefore. All economic loss shall be reasonably estimated based upon the average attendance for similar events at the Arena during the prior 2 years with appropriate adjustments for any unusual circumstances. To the extent that there is any actual documented loss of revenue from the temporary unavailability of student parking during the daytime, Lessor shall also reimburse Lessee for such documented temporary

loss.

Upon completion of the structured parking, Lessor shall operate the parking facilities in a commercially reasonable manner but shall provide Lessee with the identical number of parking spaces which were contained in the Premises immediately prior to the commencement of construction of the structured parking facility. The replacement parking spaces required as a result of the structured parking shall be located on the lowest levels of the parking garage (but not below ground) and appropriate arrangements shall be made to assure Lessee of all day-time, evening and weekend revenues generated from use of such parking spaces during the Term and access to such replacement spaces as otherwise provided above during the Student Parking Period. In the event Lessee has been provided with spaces in a structured parking facility, Lessee shall be obligated to contribute to the operations and maintenance expenses incurred with respect to such parking facility during the Term in an amount equal to the pro rate cost per space as determined for each calendar year by dividing the total maintenance and operational costs by the number of spaces in the structured parking facility and multiplying this amount by the number of spaces granted to Lessee; provided, however, that in no event shall the per space charge be more than the amount per space which Lessee would have paid had no structured parking facility been built. In the event Lessor elects to proceed with structured parking, Lessor and Lessee shall act reasonably and in good faith to establish procedures for the operation of the structured parking facility in a manner which will place Lessee in the same economic condition that would have existed had structured parking not been constructed by Lessor. In addition, Lessor shall be granted all rights reasonably required for proper construction, ownership and operation of the structured parking facility for the balance of the Term.

SECTION TWENTY-SIX

MISCELLANEOUS

This Lease shall be subject to the following:

(a) Lessee acknowledges that no further issues exist with respect to parking obligations of Lessor related to the Arena on any real property located south of the site for Lessor's proposed convention facility and that all issues related to SCDOT parking shall be separately addressed.

(b) All notices, demands, approvals, consents or other similar actions required by this Lease shall be in writing and shall be deemed fully given or made when received by the other party (as evidenced by written receipt therefor), whether hand delivered with written receipt requested, mailed in the United States mail utilizing registered or certified mail procedures, or sent through an overnight courier service offering proof of delivery, to the following addresses:

IF TO LESSOR: City of Columbia
1737 Main Street
Columbia, South Carolina 29201
ATTN: City Manager

WITH COPY TO: City of Columbia
1737 Main Street
Columbia, South Carolina 29201
ATTN: City Attorney

IF TO LESSEE: University of South Carolina
Richard W. Kelly
Vice President and Chief Financial Officer
Thornwell 203
Columbia, South Carolina 29208

WITH COPY TO: University of South Carolina
Walter H. Parham
General Counsel
Columbia, South Carolina 29208

The address to which any notice, demand, approval, consent or other similar writing shall be given, made or sent may be changed by written notice.

(c) No waiver of any condition or covenant in this Lease, or of any breach thereof, shall be taken to constitute a waiver of any subsequent breach. No payment by Lessor, in case of default on the part of Lessee in that respect, of any taxes, assessments, public charges, or premiums of insurance, or the payment of any amount herein provided to be paid other than rents, or in the procuring of insurance as hereinabove provided, shall constitute or be construed as a waiver or covenant by Lessor of the default of Lessee in that respect.

(d) Lessor shall not have any right to take depreciation or other deductions on its tax returns with respect to any buildings, structures, improvements, changes, alterations, additions, repairs or installations which are located upon the Premises.

(e) All covenants, promises, conditions and obligations herein contained or implied by law are covenants running with the land and shall attach and bind and inure to the benefit of Lessor and Lessee and their respective heirs, legal representatives, successors and assigns, except as otherwise provided herein.

(f) There are no oral or verbal understandings between Lessor and Lessee concerning the subject matter of this Lease, and any amendment, modification or supplement to this Lease must be in writing.

(g) Lessor's failure to exercise any rights or options provided hereunder or by law does not constitute a permanent waiver of that right or option.

IN WITNESS WHEREOF, the parties have signed this Lease as of the day and year first above written.

WITNESSES:

Karen D. Tuley

Barbara R. Salmons

WITNESS:

James Donaghy
[Signature]

LESSEE:

UNIVERSITY OF SOUTH CAROLINA

By: Thomas L. Stepp
Name: THOMAS L. STEPP
Title: SECRETARY, BOARD OF TRUSTEES

LESSOR:

CITY OF COLUMBIA, SOUTH CAROLINA

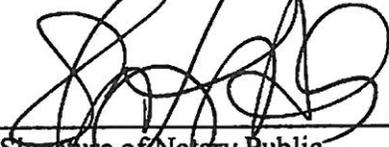
By: Leona K. Plaugh
Name: Leona K. Plaugh
Title: City Manager

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

ACKNOWLEDGMENT

I, Shacilynn Aedis, a notary public for the state of South Carolina, do hereby certify that the CITY OF COLUMBIA, SOUTH CAROLINA, by Leora K. Plough, its City Manager, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal (where an official seal is required by law) official seal this 14 day of November, 2002.

 (SEAL)
Signature of Notary Public
My commission expires: 3/11/2004

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND)

ACKNOWLEDGMENT

I, WALTER H. PARHAM, a notary public for the state of South Carolina, do hereby certify that the UNIVERSITY OF SOUTH CAROLINA, by THOMAS L. STEPP, its SECRETARY BOARD OF TRUSTEES personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and seal (where an official seal is required by law) official seal this 23RD day of OCTOBER, 2002.

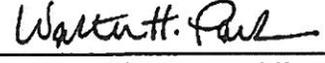
 (SEAL)
Signature of Notary Public
My commission expires: 2/25/2003

EXHIBIT A

PRELIMINARY DESCRIPTION OF THE PREMISES

All those certain pieces, parcels or tracts of land situate in the City of Columbia, County of Richland, South Carolina consisting of the two City blocks bounded by the rights-of-way for Blossom, Lincoln, Devine and Gadsden Streets and Gadsden, Devine, Lincoln and Greene Streets.

EXHIBIT A-1

LEGAL DESCRIPTION OF THE PREMISES

[TO BE INCLUDED IN ACCORDANCE WITH SECTION ONE OF THE LEASE]

EXHIBIT B

DESCRIPTION OF THE IMPROVEMENTS

Plans and Specifications issued for bid and construction, dated 03/18/02, identified as "Southeast Vista District Infrastructure Improvements – Phase I," prepared by Stevens & Wilkinson of South Carolina, Inc., Columbia, South Carolina and B & E Jackson Engineers, Atlanta, Georgia.