

3. Public Schools. The Owner and the City acknowledge that all Development Fees for Schools shall be collected and placed in a segregated interest bearing account ("School Fund") to be utilized for either (1) the acquisition of a school site, to be selected by mutual agreement of the Owner, School District and City ("School Site(s)") at a purchase price reflecting the fair market value of the land at the time of acquisition, to be agreed upon by the School District and Owner as set forth below; (2) water, sewer, or storm water infrastructure serving such School Site(s) on the Property; or (3), road improvements or installation on the Property or the regional traffic system servicing such School Site(s) on the Property, including pedestrian sidewalks and pedestrian overpasses. Should the City and/or School District not agree on the fair market value as determined by an initial appraisal commissioned by the School District, Owner may obtain its own appraisal and the parties in good faith shall attempt to negotiate an agreed upon price. In the event a mutual agreement as to price cannot be reached, each of the parties' appraisers shall select by mutual agreement a third appraiser, who shall determine, based upon the already completed appraisals and his or her own independent appraisal, a final fair market price which must be no more than, nor no less than, the two other appraisals. It is acknowledged that the School District has identified a site, consisting of approximately 70 acres, for the purpose of constructing a high school.

A site for the high school has been located by the Owner, after consultation with the City, the Marine Corps, and the Beaufort County School District. If the site is accepted and purchased by the School District within six months of the offer to sell, there shall be no further requests for additional school sites on the Property. No more than 70 acres shall be obtained within the Property for school purposes by the School District, absent the agreement of the Owner. If the School District does not accept the offered property within six months of the original offer, the offer shall terminate and Owner shall have no further obligation to offer property to the School District hereunder.

School Developer Fees shall continue to be collected throughout the term of this Agreement.

Nothing herein shall be deemed to prevent the creation and construction of charter or private schools on the Property. In the event a charter school is created, the Owner or Developer may request that the remainder of any school fees remaining or unused from the potential acquisition of the high school site be deducted from the school fees and used for the same purposes as set forth above, i.e., purchase of land, water and sewer infrastructure, or traffic.