

BINDING MEMORANDUM OF UNDERSTANDING

THIS BINDING MEMORANDUM OF UNDERSTANDING (the "**Agreement**") is made as of the ____ day of _____, 2005, by and between NORTHWEST GA., LLC, a Georgia limited liability company ("**Northwest**"), and THE CITY OF ROME, GEORGIA, a political subdivision of the State of Georgia ("**City**").

WITNESSETH:

WHEREAS, the City is the owner of certain real property located in downtown Rome, Floyd County, Georgia, and more particularly described in **Exhibit A** attached hereto and made a part hereof (the "**Downtown Property**"), upon which are currently located (i) Barron Stadium; (ii) a tennis center; (iii) a fitness center; (iv) a gymnasium; (v) recreation offices; and (vi) maintenance facilities; and

WHEREAS, Northwest is the contract purchaser of certain real property located adjacent to State Mutual Stadium in Rome, Floyd County, Georgia, consisting of approximately twelve (12) acres, as more particularly described in **Exhibit B** attached hereto and made a part hereof (the "**Stadium Property**"), and pursuant to the terms and conditions of this Agreement said Stadium Property shall include an area for a Miracle Field facility to be constructed and operated by the Atlanta Braves, Inc.; and

WHEREAS, the Downtown Property and surrounding area as a whole have not been subject to growth and development through private enterprise and the City has determined that the Downtown Property is appropriate for community redevelopment (the "**Redevelopment**") pursuant to the Redevelopment Powers Law, O.C.G.A. § 36-44-1 *et seq.* (the "**Redevelopment Powers Law**"); and

WHEREAS, as part of the Redevelopment, Northwest desires to construct mixed use facilities on the Downtown Property, including without limitation office, commercial, residential, hotel and retail uses; and

WHEREAS, as part of the Redevelopment, the City intends to construct a new Barron Stadium on the Stadium Property and to relocate the City's fitness center, gymnasium, recreation offices, maintenance facilities and tennis facilities currently located on the Downtown Property to other property owned by the City (the "**Relocation**"); and

WHEREAS, in connection with the Relocation and the Redevelopment, the City desires to convey the Downtown Property to Northwest in exchange for the Stadium Property, in accordance with the terms and conditions of the Redevelopment Law; and

WHEREAS, City and Northwest desire to enter into this Agreement to provide for the Exchange and to facilitate the Redevelopment, pursuant to the terms set forth herein;

NOW, THEREFORE, for and in consideration of the premises and of the covenants hereinafter contained, Ten and 00/100 Dollars (\$10.00) and other good and valuable

consideration, the receipt and sufficiency of which are hereby acknowledged, City and Northwest, intending to be legally bound by the terms hereby, hereby agree to the following:

ARTICLE I DEFINITIONS

“**Agreement**” means this Agreement and any amendments or supplements hereto, including the Exhibits attached hereto.

“**Architectural Guidelines**” has the meaning set forth in Section 6.6 herein.

“**Authority**” means the City of Rome Development Authority to be created by the City pursuant to O.C.G.A § 36-62-1, et seq.

“**CBC**” means Central Business Commercial zoning, as defined in the City of Rome Unified Land Development Code.

“**Central Parking Structures**” has the meaning set forth in Section 4.3.

“**City**” means the City of Rome, Georgia, a political subdivision of the State of Georgia.

“**City Remediation**” has the meaning set forth in Section 2.4 herein.

“**City’s Disclosed Environmental Conditions**” has the meaning set forth in Section 2.4 herein.

“**Conceptual Plan**” shall have the meaning set forth in Section 4.5 herein.

“**Demolition**” means the demolition of the existing structures on the Downtown Property and the removal of all debris from the Downtown Property and possibly other property located within the Redevelopment Area, all in accordance with all applicable local, state and federal laws, rules and regulations

“**Downtown Property**” means the property described in **Exhibit A** attached hereto.

“**EPD**” means the Environmental Protection Division of the State of Georgia.

“**Events of Default**” has the meaning set forth in Section 4.7.

“**Exchange**” means the conveyance by the City to Northwest of the Downtown Property in exchange for the conveyance by Northwest to the City of the Stadium Property, accomplished pursuant to the terms and conditions of this Agreement.

“**Exchange Closing**” means the closing and consummation of the Exchange.

“**Green Space**” shall be defined as an open area, covered with grass, natural vegetation, walkways or decorative paving, all of which is open to the public. Green Space shall be deemed to include all buffer and all setback areas that are not paved or used for parking, but including any decorative paved areas and sidewalks.

“**Infrastructure Improvements**” has the meaning set forth in Section 4.1 herein.

“**Levee Parking Structure**” has the meaning set forth in Section 4.4 herein.

“**Local Legislation**” means local legislation enacted by the Georgia Legislature and signed by the Governor pursuant to O.C.G.A. § 36-44-22 enabling the City to use tax incremental financing.

“**Management Fee**” has the meaning set forth in Section 3.5.

“**Northwest**” means Northwest Ga., LLC, a Georgia limited liability company, which must have, among its members, James N. Kibler and Delos Yancey, III, or Northwest’s designees that consist of at least James N. Kibler and Delos Yancey, III.

“**Northwest’s Donation**” means the donation of One Million and 00/100 Dollars by Northwest towards construction of Barron Stadium on the Stadium Property pursuant to the terms and conditions of this Agreement.

“**Parking Structures**” means the Central Parking Structures and the Levee Parking Structure.

“**Phase I TAD Bonds**” shall have the meaning set forth in Section 8.1.1 herein.

“**Phase II TAD Bonds**” shall have the meaning set forth in Section 8.2.1 herein.

“**Phase III TAD Bonds**” shall have the meaning set forth in Section 8.3.1 herein.

“**Plan**” means the redevelopment plan as set forth in Section 6.2 herein.

“**Redevelopment**” means redevelopment pursuant to the Redevelopment Powers Law, O.C.G.A. § 36-44-1 *et seq.*

“**Redevelopment Area**” means the property described in **Exhibit C** attached hereto.

“**Redevelopment Powers Law**” means O.C.G.A. § 36-44-1 *et seq.*

“**Referendum**” means the referendum held by the City on June 20, 2005, with respect to the Local Legislation, in accordance with O.C.G.A. § 36-44-22.

“**Relocation**” means construction of a new Barron Stadium on the Stadium Property and the relocation of the City’s fitness center, gymnasium, recreation offices, maintenance facilities and tennis facilities currently located on the Downtown Property to other property owned or to be acquired by the City.

“**Shared Parking Agreement**” has the meaning set forth in Section 3.3 herein.

“**Stadium Property**” means the property described in **Exhibit B** attached hereto.

“**TAD**” means the Tax Allocation District created by the City pursuant to O.C.G.A. § 36-44-5(a)(3) as set forth in Section 5.1 herein.

“**TAD Bonds**” means bonds backed by the anticipated incremental increase in ad valorem property taxes for all or a portion of the Redevelopment Area due to the Redevelopment.

ARTICLE II THE EXCHANGE

Section 2.1 Agreement to Exchange. In connection with the Exchange, the City hereby agrees to convey to Northwest the Downtown Property, and Northwest agrees to convey to the City the Stadium Property, subject to the terms and conditions of this Agreement.

Section 2.2 Closing. Subject to the limitations in Section 8.7 herein, the consummation of the Exchange (the “**Exchange Closing**”) shall take place at 10:00 am at the offices of Brinson, Askew, Berry, Seigler, Richardson & Davis, LLP, 615 West First Street, Rome, Georgia 30163, on or before December 31, 2005, unless otherwise agreed to by both parties. At the Exchange Closing, the City shall convey the Downtown Property to Northwest by general warranty deed free and clear of all liens and encumbrances except for (i) local, state and federal laws, ordinances or governmental regulations, including but not limited to building, zoning and land use laws, ordinances and regulations now or hereafter in effect relating to the Downtown Property; and (ii) all matters approved by Northwest. At the Exchange Closing, Northwest shall convey the Stadium Property to the City by general warranty deed free and clear of all liens and encumbrances except for (i) taxes for the year 2005 and subsequent years, a lien not yet due and payable; (ii) local, state and federal laws, ordinances or governmental regulations, including but not limited to building, zoning and land use laws, ordinances and regulations now or hereafter in effect relating to the Stadium Property; and (iii) the matters set forth in **Exhibit E** attached hereto and made a part hereof.

Section 2.3 Compliance With Laws. Prior to the Closing, the City shall take all steps necessary and appropriate to comply with the Redevelopment Powers Law with respect to the Exchange.

Section 2.4 Environmental Condition. The City shall remain responsible for remediating the conditions described in that certain Limited Phase II Environmental Site Assessment prepared for the City by Environmental Guidance Associates dated July 18, 2005,

including without limitation the proper removal and disposal of any underground storage tanks on the Downtown Property (the “*City’s Disclosed Environmental Conditions*”). Remediation of the City’s Disclosed Environmental Conditions shall be paid through the sole use of the proceeds from the sale of the TAD Bonds (or alternate financing as provided herein). If the City’s Disclosed Environmental Conditions cannot be remediated on or before the Exchange Closing, after the Exchange Closing the City shall be responsible for (i) remediating the City’s Disclosed Environmental Conditions; (ii) all losses, claims, damages and injuries to person or property arising out of or resulting from the City’s Disclosed Environmental Conditions; and (iii) taking all actions necessary to obtain a “no further action” letter from the Environmental Protection Division of the State of Georgia (the “*EPD*”) with respect to any of the City’s Disclosed Environmental Conditions (collectively, the “*City Remediation*”), and Northwest shall grant to the City and its agents, contractors, representatives and employees the right to enter upon the Downtown Property after the Exchange Closing to complete the City Remediation; provided, however, that the City Remediation shall be conducted in a manner that shall minimize any interference with Northwest’s development of the Downtown Property and the location of any monitoring wells placed on the Downtown Property in connection with the City Remediation is subject to Northwest’s approval, which shall not be unreasonably withheld, conditioned or delayed, and subject to the approval of the EPD. The provisions of this Section 2.4 shall survive the Exchange Closing.

Section 2.5 Exchange Closing Documents. At the Exchange Closing, the City shall deliver to Northwest such affidavits, lien waivers and other evidence as may reasonably be required by the title company insuring Northwest’s title to the Downtown Property, including, without limitation, a title affidavit in the form customarily utilized in Georgia commercial real estate transactions, so as to enable the title company to furnish Northwest with a title insurance policy without exception for mechanics' and materialmen's liens and broker's liens. At the Exchange Closing, Northwest shall deliver to the City such affidavits, lien waivers and other evidence as may reasonably be required by the title company insuring City’s title to the Stadium Property, including, without limitation, a title affidavit in the form customarily utilized in Georgia commercial real estate transactions, so as to enable the title company to furnish the City with a title insurance policy without exception for mechanics' and materialmen's liens and broker's liens. In addition, the City and Northwest shall deliver any additional items or documents required to be delivered pursuant to this Agreement or deemed reasonably necessary or appropriate by the City's and Northwest's counsel in connection with the Exchange Closing.

Section 2.6 Exchange Closing Costs. At the Exchange Closing, Northwest and the City shall prorate ad valorem taxes with respect to the Stadium Property and the Downtown Property, if the Exchange Closing takes place in 2006. Northwest shall be responsible for paying the ad valorem taxes with respect to the Stadium Property and the City shall be responsible for paying the ad valorem taxes with respect to the Downtown Property if the Exchange Closing takes place in 2005. Northwest shall pay the cost of the title examination, owner’s title insurance policy in the amount of the appraised value, survey and other costs of due diligence with respect to the Stadium Property, and the City shall pay the costs of the title examinations, owner’s title insurance policies in the amount of the appraised value, surveys and other costs of due diligence with respect to the Downtown Property. Northwest shall pay any recording costs.

Section 2.7 Revocable License. From and after the Exchange Closing and prior to the Demolition of the tennis facilities, gymnasium, fitness center, recreational offices and maintenance facilities located on the Downtown Property pursuant to the schedule submitted by Northwest and approved by the City, which approval shall not be unreasonably withheld, conditioned or delayed, Northwest shall grant a temporary license to the City to use such tennis facilities, recreational offices, gymnasium, fitness center and maintenance facilities; provided, however, that the City shall obtain and maintain during such occupancy general commercial liability insurance on an occurrence basis with a minimum general aggregate limit of One Million and 00/100 Dollars (\$1,000,000.00) for property damage or personal injury and such insurance policy or policies shall name Northwest as an additional insured. At the Exchange Closing, the City shall provide Northwest with a certificate evidencing such insurance. The City shall maintain all facilities located on and pay all ad valorem taxes for that portion of the Downtown Property it continues to occupy pursuant to the license set forth in this Section 2.7, with partial years to be prorated.

ARTICLE III CONSTRUCTION OF BARRON STADIUM AND OTHER FACILITIES

Section 3.1 Northwest's Donation. Northwest agrees to donate the sum of One Million and 00/100 Dollars (\$1,000,000.00) ("**Northwest's Donation**") towards construction of the new Barron Stadium on the Stadium Property. Northwest shall pay the Donation to the City within thirty (30) days after the first to occur of (i) the sale of the Phase I TAD Bonds and the dedication of the proceeds from the sale of the Phase I TAD Bonds as provided in Section 8.1 herein, or (ii) the satisfaction of the alternate financing conditions provided in Section 8.7 herein.

Section 3.2 City's Obligation to Construct. No later than thirty (30) days after receipt of Northwest's Donation, the City, through the sole use of the proceeds from the sale of the Phase I TAD Bonds and Northwest's Donation, agrees to commence construction of the new Barron Stadium on the Stadium Property and to diligently pursue completion of construction of the new Barron Stadium, all in accordance with all local, state and federal laws, rules and regulations. The requesting of proposals or bids from general contractors for the construction of the new Barron Stadium shall constitute commencement of construction for purposes of this Section 3.2. The total cost to complete the construction of the new Barron Stadium shall not exceed \$4,662,067.00, inclusive of Northwest's Donation. The front façade of the new Barron Stadium shall be in a style similar to that of State Mutual Stadium.

Section 3.3 Shared Parking. Northwest, at no cost to Northwest, agrees to assist the City in obtaining a shared parking agreement or easement by and among the City, Floyd County and the Atlanta Braves, Inc. with respect to the Stadium Property and the adjoining property owned by Floyd County and leased to the Atlanta Braves, Inc. (the "**Shared Parking Agreement**").

Section 3.4 Eminent Domain. In the construction of a new Barron Stadium and other projects, the City shall not use its powers of eminent domain for the acquisition of land or interests of land, other than for necessary right of way acquisitions or the acquisition of necessary utility easements.

Section 3.5 Project and Construction Management. The City and Northwest, using solely proceeds from the sale of the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TADS Bonds, or otherwise as provided herein, agree to appoint a mutually acceptable project manager and/or construction manager, on terms and conditions agreed to by both parties, to oversee the planning, construction and development of the new Barron Stadium (Section 3.2), the new tennis facilities (Section 8.3.1), the Infrastructure Improvements (Section 4.1), and the Demolition (Section 4.2), and the relocation of the gymnasium, the fitness center, the recreation offices and the maintenance facilities. Northwest, using proceeds from the sale of the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds, shall serve as the program manager with respect to the construction of the Infrastructure Improvements, the new Barron Stadium, the new tennis facilities, the relocation of the gymnasium, the Central Parking Structures and the Levee Parking Structure, and the relocation of the fitness center, the recreation offices and the maintenance facilities, with duties that include overseeing the Project Manager, Construction Manager, Architect, Engineers, and other necessary professionals; guiding the design and construction process to a timely conclusion; providing solutions for controlling costs and avoiding additional expense; and facilitating consensus among various affected entities. In consideration of Northwest's acting as such program manager, Northwest shall be paid a fee on each of the aforementioned projects ("**Management Fee**"), which fee shall be paid using the proceeds from the sale of the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds. Northwest shall receive a Management Fee of Two and one-half percent (2.5%) of the total project cost of each project scheduled for initiation and payment through Phase I TAD Bonds. Northwest shall receive a Management Fee of Two and three-quarters percent (2.75%) of the total project cost of each project scheduled for initiation and payment through Phase II TAD Bonds. Northwest shall receive a Management Fee of Three percent (3%) of the total project cost of each project scheduled for initiation and payment through Phase III TAD Bonds. The decision by the City and Northwest to move a project forward or delay a project such that it is initiated and paid out of a different TAD Bond than is set forth in Section 8 herein shall not affect the base percentage of the Management Fee paid to Northwest. For example, Northwest would be paid a three percent (3%) Management Fee for a Phase III project moved forward to Phase II.

With respect to each project, two percent (2%) of said Management Fee shall be paid upon the issuance of the applicable TAD Bonds for such project, with the balance of the Management Fee for such project due upon substantial completion of the project. The Management Fee may be adjusted after completion of the project and payment of all costs associated with the project so that the total Management Fee for such project is paid based on the total project cost.

For each project, Northwest and the City shall mutually agree on the selection of an architect. Within thirty (30) days thereafter, the architect shall deliver conceptual designs for such project. The City and Northwest shall then retain a mutually acceptable construction cost estimator, who will provide an estimate of the total cost to complete the project (other than architect's fees). Such cost estimate shall become the budget for the project; provided, however, if the estimate exceeds the amount provided for such project in Section 8 of this Agreement, the scope of such project shall be reduced so that the estimate is at or below such amount. The cost estimate shall include a five percent (5%) contingency for unforeseen construction costs. The

City and Northwest shall then solicit bids for the construction of the project (if possible, pursuant to a guaranteed maximum price contract in which the sum of the cost of the work and the contractor's fee shall be guaranteed by the contractor). The guaranteed maximum price shall not exceed the dollar amount specified but may be subject to additions and deductions by change order as provided in the contract documents and as limited herein.

Until the earlier of (i) seven (7) years after the date of the Exchange Closing; or (ii) funding of the Phase III TAD Bonds, any change orders with respect to the original design plans, the budgets and the construction contracts with respect to the Infrastructure Improvements, the Central Parking Structures and the Levee Parking Structure must be jointly approved by the City Manager and Northwest; provided, however, the City may approve any change order to be funded by the City through any method other than the use of the incremental increase in ad valorem taxes for the TAD.

Until the earlier of (i) seven (7) years after the date of the Exchange Closing; or (ii) funding of the Phase III TAD Bonds, change orders made by the City with respect to the original design plans, the budgets and the construction contracts with respect to the new Barron Stadium, the new tennis facilities, the relocation of the gymnasium, the relocation of the fitness center, the relocation of the recreation offices, and the relocation of the maintenance facilities shall be limited so that the cost of such change orders does not exceed the budgeted funding for the project. At any time, the City may approve any change order with respect to the projects identified in this paragraph which are to be funded by the City through any method other than the use of the incremental increase in ad valorem taxes for the TAD.

Northwest shall have no authority to bind the City to expend any funds in excess of the those specifically set forth in a development agreement, which shall be entered into between the parties prior to the initiation of any project for which Northwest shall serve as the program manager. Notwithstanding the foregoing, with respect to any one or more of the projects referenced in this Section 3.5, Northwest and the City may agree that Northwest shall not act as program manager and not receive a management fee with respect to such project.

ARTICLE IV REDEVELOPMENT

Section 4.1 Northwest's Plans and Specifications. No later than thirty (30) days prior to the sale of the Phase I TAD Bonds, Northwest shall submit to the City Northwest's general requirements for the development of the site work, grading, roadways, curbs, gutters, utilities, landscaping, sidewalks, parks, public walking paths and public paths infrastructure improvements (collectively, the "***Infrastructure Improvements***") for the Downtown Property and a portion of the surrounding area within the Redevelopment Area, together with a schedule for the Demolition and the Infrastructure Improvements, for the City's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Subject to the provisions of Section 8.7 herein, the schedule shall provide for demolition of the existing Barron Stadium to commence no later than February 1, 2006, and for demolition of each of the gymnasium, fitness center, maintenance facilities and recreation offices on the Downtown

Property to commence no later than seven (7) months after the sale of the applicable phase of the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds for relocation of such facilities. The schedule shall also provide for the demolition of the existing tennis facilities on the Downtown Property shall commence upon the earlier to occur of (i) seven (7) months after the sale of the Phase III TAD Bonds; or (ii) completion of construction of sixteen (16) replacement hard surface tennis courts and associated parking. The City's approval of the general requirements and scheduling shall not include the issuance of building permits, special use permits, variances, special exceptions and the like. The City shall use good faith efforts to review such general requirements and advise Northwest whether it approves the general requirements with respect to the Infrastructure Improvements within thirty (30) days after Northwest's delivery of such general requirements to the City. If the City does not approve the general requirements with respect to the Infrastructure Improvements, the City shall give Northwest details as to the changes necessary to make such general requirements acceptable to the City.

No later than thirty (30) days prior to the sale of the Phase II TAD Bonds, Northwest shall submit to the City Northwest's detailed plans and specifications for the development of two (2) of the Central Parking Structures for the City's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such approval shall not include the issuance of building permits, special use permits, variances, special exceptions and the like. The City shall use good faith efforts to review such plans and advise Northwest whether it approves the plans with respect to the Central Parking Structures within thirty (30) days after Northwest's delivery of such plans and specification to the City. If the City does not approve the plans with respect to the Central Parking Structures, the City shall give Northwest details as to the changes necessary to make such plans acceptable to the City.

No later than thirty (30) days after the sale of the Phase III TAD Bonds (or the procurement of alternate financing as provided herein), Northwest shall submit to the City Northwest's detailed plans and specifications for the development of the remaining Central Parking Structure and the Levee Parking Structure for the City's approval, which approval shall not be unreasonably withheld, conditioned or delayed. Such approval shall not include the issuance of building permits, special use permits, variances, special exceptions and the like. The City shall use good faith efforts to review such plans and advise Northwest whether it approves the plans with respect to the Levee Parking Structure within thirty (30) days after Northwest's delivery of such plans and specification to the City. If the City does not approve the plans with respect to the Levee Parking Structure, the City shall give Northwest details as to the changes necessary to make such plans acceptable to the City.

The City, using only the proceeds from the sale of the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds or otherwise as provided herein, shall be responsible for the preparation and the cost of preparation of the general requirement and the plans and specifications referenced in this Section 4.1, and for construction of the Infrastructure Improvements. Northwest may but shall not be obligated to advance to the City funds to pay for the cost of the detailed plans and specification and construction of the Infrastructure Improvements, which advanced funds shall be reimbursed with proceeds from the sale of TAD Bonds.

Section 4.2 City's Obligations Regarding Demolition. No later than the sale of the Phase I TAD Bonds and the dedication of the proceeds from the sale of the Phase I TAD Bonds as provided in Section 8.1 (or the procurement of alternate financing as provided herein), the City shall commence the demolition of the structures on the Downtown Property and shall diligently complete such demolition and the removal of all debris from the Downtown Property, all in accordance with all applicable local, state and federal laws, rules and regulations and the schedule approved by the City and Northwest pursuant to Section 4.1 herein (the "**Demolition**"). The City shall apply any revenues obtained from salvaging and selling any materials obtained from the Downtown Property during the Demolition to the cost of such Demolition. Northwest may but shall not be obligated to advance to the City funds to pay for the Demolition and the Infrastructure Improvements, which advanced funds shall be reimbursed with proceeds from the sale of TAD Bonds.

Section 4.3 Central Parking Structures. No later than thirty (30) days after the sale of the Phase II Bonds and the dedication of the proceeds from the sale of the Phase II Bonds as provided in Section 8.2 herein (or the procurement of alternate financing as provided herein), the City shall commence and diligently pursue completion of construction, solely through the use of proceeds from the sale of the Phase II TAD Bonds or otherwise as provided herein, of two (2) of the three (3) parking structures (collectively, the "**Central Parking Structures**") on the Downtown Property pursuant to the plans and specifications prepared by Northwest and approved by the City pursuant to Section 4.1 herein.

The Central Parking Structures shall be designed to accommodate no less than Seven Hundred Ninety Three (793) total parking spaces sufficient for mid-sized automobiles. Northwest, or individual owners of portions of the Downtown Property or adjacent property using any one (1) of the Central Parking Structures, shall purchase a completed parking structure from the City by (i) paying to the City Seven Thousand Two Hundred and 00/100 Dollars (\$7,200.00) per space within one (1) year after the completion of the parking structure; or (ii) paying to the City Twenty-Four and 00/100 Dollars (\$24.00) per space per month for twenty five (25) years commencing one (1) year after completion of the structure. If option (ii) above is selected, Northwest or the individual owner(s) must execute a security deed in favor of the City, in the amount of Seven Thousand Two Hundred and 00/100 Dollars (\$7,200.00) per space, or an alternative form of security reasonably satisfactory to the City, to ensure that the monthly payment obligations will be met. If option (ii) above is selected, Northwest or the individual owner(s) shall establish a long term maintenance fund for the applicable structure; a sum equal to Forty Eight and 00/100 Dollars (\$48.00) per space shall be placed in said long term maintenance fund on an annual basis to be used only for the long term maintenance of the structure. The long term maintenance fund shall be pledged to the City as additional security to ensure that the monthly payment obligations will be met. The City agrees to apply any funds received with respect to the purchase of a completed parking structure toward satisfaction of its obligations with respect to the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds and the uses allowed in Sections 8.5 and 8.6 herein.

Section 4.4 Levee Parking Structure. No later than thirty (30) days after the sale of the Phase III TAD Bonds and the dedication of the proceeds from the sale of the Phase III TAD

Bonds as provided in Section 8.3 herein, the City shall commence and diligently pursue completion of the construction, solely through the use of the proceeds from the sale of the Phase III TAD Bonds or otherwise as provided herein, of the remaining Central Parking Structure and a parking structure (the "**Levee Parking Structure**") on the Downtown Property adjacent to the Levee pursuant to the plans and specifications prepared by Northwest and approved by the City pursuant to Section 4.1 herein. The total cost of the Levee Parking Structure shall not exceed \$3,655,000.00.

The Levee Parking Structure shall be designed to accommodate no less than two hundred seventy five (275) total parking spaces sufficient for mid-sized automobiles and in a manner that will allow the construction by Northwest of a hotel, shops, offices, condominium units and related amenities above the Levee Parking Structure. A minimum of fifty (50) parking spaces shall be designated for hourly use by the public. Northwest, or an owners' association with respect to the condominiums to be developed by Northwest on top of the Levee Parking Structure, shall purchase the completed Levee Parking Structure from the City by (i) paying to the City Seven Thousand Two Hundred and 00/100 Dollars (\$7,200.00) per space within one (1) year after the completion of the Levee Parking Structure; or (ii) paying to the City Twenty-Four and 00/100 Dollars (\$24.00) per space per month for twenty five (25) years commencing one (1) year after completion of the structure. If option (ii) above is selected, Northwest or the individual owner(s) shall establish a long term maintenance fund for the applicable structure; a sum equal to Forty Eight and 00/100 Dollars (\$48.00) per space shall be placed in said long term maintenance fund on an annual basis to be used only for the long term maintenance of the structure. The long term maintenance fund shall be pledged to the City as security to ensure that the monthly payment obligations will be met. The City agrees to apply any funds received with respect to the purchase of a completed parking structure toward satisfaction of its obligations with respect to the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds and the uses allowed in Sections 8.5 and 8.6 herein.

Section 4.5 Northwest's Development Plans. Northwest acknowledges that the concept of a mixed use development, as proposed by Northwest, is an important factor in the City's approval of this Agreement. Consistent with the City's Plan for the Redevelopment Area, as set forth in Section 6.2 hereof, Northwest intends to develop the Downtown Property as a mixed use community, including residential (48%) and retail/office/commercial/hotel (52%) components. The percentage of each component shall be determined using the square footage of the interior portions of new facilities constructed on the Downtown Property. The Downtown Property shall also include a minimum of Fifty Thousand (50,000) square feet of Green Space which shall be open to the public. Northwest and the City agree that construction of a hotel on the Downtown Property or property adjacent to the Downtown Property and reasonably acceptable to the City would be beneficial to the interests of the City and Northwest. Accordingly, Northwest shall use diligent, commercially reasonable efforts to attract hotel development on the Downtown Property or such approved adjacent property; provided, however, that Northwest will not be required to make unreasonable economic or other concessions in order to attract such hotel development. Northwest's conceptual plan of its intended development with respect to the Downtown Property is attached hereto as Exhibit G and made a part hereof (the "**Conceptual Plan**"). The City Manager must approve (which approval shall not be unreasonably withheld, conditioned or delayed) (i) any substantial changes to the Architectural Guidelines; (ii) any deviation greater

than twenty two and one half percent (22.5%) in each of the percentages of residential and retail/office/commercial/hotel components set forth in this Section 4.5, including any proposal which does not include the construction of a hotel on or adjacent to the Levee Parking Structure; and (iii) any substantial changes in the Conceptual Plan (provided, however, that Northwest may relocate the zones within the Downtown Property without the City Manager's approval so long as the deviation of the components of the Conceptual Plan do not exceed the limits set forth in item (ii) above).

Failure of Northwest or any third party to adhere to Northwest's Conceptual Plan (as such may be amended as provided herein) for the Downtown Property may result in the City's determination not to proceed with the issuance of TAD bonds.

Section 4.6 Northwest Covenants. Northwest may not convey any of the Downtown Property to an entity whose use of the Downtown Property is not subject to ad valorem taxation, without the prior written consent of the City. Without the prior written consent of the City, Northwest shall not convey any portion of the Downtown Property or any rights thereto until such parcel or parcels have been developed in accordance with Northwest's Conceptual Plan and the Architectural Guidelines; provided that the City hereby consents to transfers of an individual tract or parcel where the proposed owner or owners of such property covenants that said property will be developed in accordance with the Conceptual Plan and Architectural Guidelines. It is the desire and intent of the City that all of the Downtown Property be developed in substantial compliance with Northwest's Conceptual Plan and the Architectural Guidelines, and that any third party acquiring any portion of the Downtown Property agree to adhere to such Conceptual Plan and Architectural Guidelines prior to the development of such property.

Without the prior written consent of the City, Northwest shall not encumber any portion of the Downtown Property unless the proposed secured party agrees to be bound by the provisions of this Agreement. This restriction on encumbering the Downtown Property shall be lifted as to individual parcels within the Downtown Property upon the sale of such parcel by Northwest.

With the approval of the City Manager, which shall not be unreasonably withheld, conditioned or delayed, Northwest may satisfy the residential and retail/office/commercial/hotel percentage components set forth in this Section 4.5 by development on other property within the TAD District and located between Second Avenue and Fifth Avenue.

Section 4.7 Northwest Default. The occurrence of any of the events set forth below ("**Events of Default**"), shall, at the option of the City, require Northwest to sell to the City that portion of the Downtown Property still owned by Northwest at a purchase price of the lesser of (i) Two Hundred Fifty Thousand and 00/100 Dollars (\$250,000.00) per acre, or (ii) the appraised value of such property, as determined by an MAI appraiser with at least ten (10) years' experience and acceptable to the City and Northwest. If Northwest and the City are unable to agree on such appraiser, Northwest and the City shall each select an MAI appraiser with at least ten (10) years' experience, who in turn shall select an MAI appraiser with at least ten (10) years' experience to perform the appraisal, which shall be binding on Northwest and the City. Northwest shall convey such portion of Downtown Property to the City by general warranty deed

subject only the exceptions set forth in **Exhibit D** attached hereto and such other exceptions approved by the City, and Northwest shall deliver to the City such affidavits, lien waivers and other evidence as may reasonably be required by the title company insuring City's title to such Downtown Property, including, without limitation, a title affidavit in the form customarily utilized in Georgia commercial real estate transactions, so as to enable the title company to furnish the City with a title insurance policy without exception for mechanics' and materialmen's liens and broker's liens. In addition, Northwest shall deliver any additional items or documents deemed reasonably necessary or appropriate by the City's and Northwest's counsel in connection with such sale and acquisition. The Events of Default are as follows:

- a) The filing by Northwest of any petition or action under any bankruptcy, debtor's relief, reorganization, insolvency or moratorium law or any assignment by Northwest for the benefit of creditors.
- b) The filing of any involuntary petition under any bankruptcy statute against Northwest that is not dismissed within ninety (90) days after such filing, or the appointment of any receiver or trustee to take possession of the properties of Northwest.
- c) The failure of Northwest to pay promptly or discharge any judgment, or the levy of any attachment, execution or other process against the Downtown Property.
- d) Any breach by Northwest of Section 4.6 of this Agreement.

ARTICLE V REDEVELOPMENT FINANCING

Section 5.1 City's Declaration of Intent. As part of the Redevelopment, the City intends to (i) declare some or all the property described in **Exhibit C** attached hereto and made a part hereof (the "**Redevelopment Area**"), but specifically including the TAD, to be a redevelopment area as set forth in O.C.G.A. § 36-44-3(7); (ii) utilize tax incremental financing to pay all of the City's costs in connection with the Redevelopment and the Relocation, including without limitation payment for the Infrastructure Improvements and the cost of the Demolition; (iii) create a Tax Allocation District pursuant to O.C.G.A. § 36-44-5(a)(3) with respect to that portion of the Redevelopment Area described in **Exhibit F** attached hereto and made a part hereof (the "**TAD**"); (iii) issue bonds backed by the anticipated incremental increase in ad valorem taxes for the TAD (the "**TAD Bonds**"); and (iv) use all or a portion of the funds obtained through the TAD Bonds to fund the Infrastructure Improvements, construction of the Central Parking Structures, the Levee Parking Structure, a new Barron Stadium and new tennis facilities, the construction of or relocation of the City recreational offices, gymnasium, fitness center and maintenance facilities, the Demolition and some or all of the other costs of the Redevelopment and the Relocation.

Section 5.2 Tax Incremental Financing. The City intends to utilize tax incremental financing to pay all of the City's costs in connection with the Redevelopment and the Relocation. Local legislation enabling the City to use tax incremental financing pursuant to O.C.G.A. § 36-44-22 has been passed the Georgia Legislature and signed by the Governor (the "**Local**

Legislation”). The City held a referendum with respect to the Local Legislation on June 20, 2005 (the “**Referendum**”), and the Referendum passed, all in accordance with O.C.G.A. § 36-44-22.

Section 5.3 Creation of Tax Allocation District. The City intends to create the TAD pursuant to O.C.G.A. § 36-44-5(a)(3). The TAD shall be created for the purpose of allowing TAD Bonds to be issued using the incremental increase in taxes within the TAD to finance the Redevelopment and the Relocation, including without limitation the Demolition, the Central Parking Structures, the Levee Parking Structure and the Infrastructure Improvements.

Section 5.4 Tax Allocation District Bonds. In connection with the Redevelopment and the Relocation, the City intends to approve and issue TAD Bonds in three phases as provided in Article 8 herein.

Section 5.5 Appointment of Downtown Redevelopment Authority. Pursuant to O.C.G.A. § 36-62-1 et seq., the City intends to, and will prior to the Exchange Closing, create a new City of Rome Development Authority (the “**Authority**”) and appoint the Authority as its redevelopment agency with respect to the Redevelopment. Pursuant to O.C.G.A. § 36-44-6, the City intends to delegate certain of its powers under the Redevelopment Powers Law and certain of its obligations under this Agreement to the Authority.

Section 5.6 Revenue Bonds. Notwithstanding anything to the contrary contained in this Agreement, as an alternative to or in addition to the issuance of TAD Bonds to finance the costs of the Redevelopment and the Relocation, the City may issue Revenue Bonds to finance all or any portion of the Redevelopment and the Relocation. If Revenue Bonds are used to finance any portion of the Redevelopment and the Relocation, the applicable phase of the TAD Bonds shall be reduced accordingly. If the City chooses to issue Revenue Bonds or any other means of alternate financing with respect to any of the Redevelopment and/or Relocation projects referenced herein, Northwest must still satisfy the requirements of the applicable Section 8.1.1, 8.2.1 or 8.3.1 for a particular project with respect to a level of investment in the Redevelopment Area so that the total incremental increase in ad valorem taxes for the TAD over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law would cover payments necessary to support the issuance of Revenue Bonds or other alternate means of financing, to the reasonable satisfaction of the City rather than the City’s underwriter, regardless of whether such incremental increase is actually pledged in support of such alternate financing.

ARTICLE VI CONDITIONS PRECEDENT

This Agreement shall not be effective unless and until the following conditions precedent are satisfied:

Section 6.1 Redevelopment. Pursuant to the provisions of O.C.G.A. § 36-44-5(a)(2), the City shall declare the Redevelopment Area to be a redevelopment area as set forth in O.C.G.A. § 36-44-3(7).

Section 6.2 Redevelopment Plan. The City shall cause redevelopment plans to be prepared with respect to the Redevelopment Area (the “**Plan**”). The Plan shall (i) specify the boundaries of the Redevelopment Area; (ii) explain the grounds for a finding by the local legislative body that the redevelopment area on the whole has not been subject to growth and development through private enterprise and would not reasonably be anticipated to be developed without the approval of the redevelopment plan; (iii) explain the proposed uses after the Redevelopment of real property within the Redevelopment Area; (iv) describe any redevelopment projects within the Redevelopment Area proposed to be authorized by the Plan, estimate the cost thereof, and explain the proposed method of financing such projects; (v) describe any contracts, agreements, or other instruments creating an obligation for more than one (1) year which are proposed to be entered into by the City or the Authority or both for the purpose of implementing the Plan, including without limitation this Agreement; (vi) describe the type of relocation payments, if any, proposed to be authorized by the Plan; (vii) include a statement that the Plan conforms with the local comprehensive plan, master plan, zoning ordinance, and building codes of the City or explains any exceptions thereto; (viii) estimate redevelopment costs to be incurred or made during the course of implementing the Plan, including without limitation the costs of the Infrastructure Improvements; (ix) recite the last known assessed valuation of the Redevelopment Area and the estimated assessed valuation after redevelopment; (x) provide that no property which is to be redeveloped under the Plan is designated as a historic property under Article 2 of Chapter 10 of Title 44, the “Georgia Historic Preservation Act,” or is listed on or has been determined by any federal agency to be eligible for listing on the National Register of Historic Places; (xi) specify the proposed effective date for the creation of the TAD; (xii) contain a map specifying the boundaries of the proposed TAD and showing existing uses and conditions of the real property in the proposed TAD; (xiii) specify the estimated tax allocation increment base of the proposed TAD; (xiv) specify property taxes for computing tax allocation increments determined in accordance with O.C.G.A. § 36-44-9 and supported by any resolution required under O.C.G.A. § 36-44-8(2); (xv) specify the amount of the proposed TAD Bonds and the term and assumed rate of interest applicable thereto; (xvi) estimate positive tax allocation increments for the period covered by the term of the proposed TAD Bonds; (xvii) specify the property to be pledged for payment or security for payment of the TAD Bonds; and (xviii) include such other information as the City deems necessary or expedient in its resolution approving the Plan. The City shall approve the Plan. The cost of the Plan shall be paid from the proceeds of the Phase I TAD Bonds.

Section 6.3 Tax Allocation District. The City shall create the TAD.

Section 6.4 Pedestrian Bridge. The City and Floyd County shall receive State grants and shall apply such funding to costs associated with the construction of a pedestrian walkway over the Oostanaula River in the location shown on those certain plans prepared by HNTB.

Section 6.5 Rezoning. Northwest shall have (i) rezoned the Downtown Property to CBC and obtained a variance or zoning change that will allow the buildings to be constructed on the Downtown Property to be up to one hundred (100) feet in height; (ii) obtained a Special Land Use Permit to allow development of a shopping center on the Stadium Property and the remaining property owned by Northwest adjacent to State Mutual Stadium; (iii) rezoned a portion of the remaining property owned by Northwest adjacent to State Mutual Stadium from

Heavy Commercial to Community Commercial, as defined in the City of Rome Unified Land Development Code, to allow development of a hotel or motel on such property; and (iv) obtained modifications to conditions or variances to allow each user or tenant on the remaining property owned by Northwest adjacent to State Mutual Stadium to have full signage under the current Rome Zoning Ordinance without any limitation caused by the installation of the existing sign located at the intersection of Veterans Memorial Highway and Braves Boulevard. Alternatively, all or any of the foregoing may be accomplished under the Plan, to the extent allowed under the Redevelopment Powers Law or other applicable law.

Section 6.6 Architectural Guidelines. Northwest shall promulgate and the City shall approve architectural guidelines for Northwest's development on the Downtown Property (the "***Architectural Guidelines***").

Section 6.7 Development Authority. The City shall appoint the Authority as its redevelopment agency with respect to the Redevelopment.

Section 6.8 Acquisition of Property. Northwest shall acquire fee simple title to the Stadium Property.

Section 6.9 Geotechnical Investigation. Northwest shall determine that the condition of the soil on the Downtown Property is suitable for the development intended by Northwest. If Northwest does not terminate this Agreement on or before December 1, 2005, Northwest shall be deemed to have waived this condition precedent.

Section 6.10 Shared Parking Agreement. The City, the County and the Atlanta Braves, Inc. shall enter into the Shared Parking Agreement.

Section 6.11 Costs of Demolition and City Remediation. The City shall determine to its reasonable satisfaction that the cost of the Demolition and the City Remediation is not prohibitive, in the City's reasonable estimation. If the City does not terminate this Agreement on or before December 1, 2005, the City shall be deemed to have waived this condition precedent.

Section 6.12 State Approval of Revenue Base. No later than December 31, 2005, the State of Georgia shall approve the ad valorem tax base for the Redevelopment Area submitted by the City pursuant to the Redevelopment Powers Law.

Section 6.13 Floyd County Approval. The City and Floyd County shall enter into an interlocal agreement regarding the incremental increase in County ad valorem taxes for the Redevelopment Area over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law for the payment of obligations under the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds. The interlocal agreement shall include, without limitation, the use of excess funds not used to satisfy TAD Bond indebtedness. In the event that Floyd County's obligations with regard to TAD revenues are not consistent with the City's obligations set forth in Section 8.5 herein, Northwest's acceptance of the terms of the interlocal agreement shall be a part of this condition precedent.

Section 6.14 Miracle League Field. The City, at no cost to the City, shall enter into an agreement with the Atlanta Braves, Inc. for the construction of and use of a Miracle League baseball field on the Stadium Property in a location mutually acceptable to the City and the Atlanta Braves, Inc.

Nothing contained herein shall require Northwest or the City to satisfy any of the conditions precedent set forth in this Article VI; provided, however, that Northwest and the City each represents and warrants that it presently intends to use its best efforts to cause the satisfaction of the conditions precedent to occur. If all of the conditions precedent set forth in this Article VI are not satisfied (or waived by the parties) on or before December 31, 2005 (or any later date specified in a particular condition precedent), then either party shall have the right to terminate this Agreement by giving notice to the other party, and thereafter this Agreement shall terminate and be of no further force and effect and neither party shall have any further rights, duties, benefits or obligations hereunder.

ARTICLE VII MISCELLANEOUS

Section 7.1. Binding Agreement. Subject to Article VI, this Agreement shall be fully binding on all parties to the Agreement, their heirs, successors and assigns, in accordance with its terms.

Section 7.2. Assignment. No party to this Agreement may assign its rights and obligations under this Agreement without the prior written consent of the other party except as expressly provided for herein; provided, however, that without in any way releasing the City from any of its obligations hereunder, the City may assign or delegate all or certain of its obligations under this Agreement to the Authority.

Section 7.3. Governing Law. The laws of the State of Georgia shall govern the interpretation of this Agreement. If any provision hereof is held to be invalid or unenforceable, such invalidity or unenforceability shall not affect the validity or enforceability of any other provision hereof.

Section 7.4. Amendment. This Agreement may be amended at any time by a writing which refers to this Agreement and is executed by all parties hereto.

Section 7.5. Other Documents. The parties agree to execute and record such other documents as may be necessary for the implementation and consummation of this Agreement. Any approvals or consents required hereunder shall not be unreasonably withheld by the party from whom such approval or consent is sought.

Section 7.6. Third Parties. The parties hereto acknowledge that nothing herein expressed or implied in this Agreement is intended or shall be construed to confer upon or give any person or entity other than Northwest or City any rights or remedies under or by reason of this Agreement.

Section 7.7. Exhibits. The exhibits attached to and referred to herein are part of this Agreement for all purposes.

Section 7.8. Time. Time is of the essence in this Agreement and each and every provision contained herein. In the event that any day specified herein or the end of any period of time specified herein falls on a Saturday, Sunday or legal holiday, the date or time period shall be automatically extended to the next business day.

Section 7.9. Cooperation. Northwest and the City agree to cooperate and assist each other to comply with and fulfill the terms and provisions of this Agreement.

Section 7.10 Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given and received four (4) business days after deposited in a United States Post Office, certified or registered mail, postage prepaid, return receipt requested, or when actually received by a party to whom directed if delivered by hand or sent by overnight courier. Notices shall be addressed to the party, to whom directed at the address set forth below or to such other address as such party from time to time may specify in writing. The sending of the copies specified below shall be an integral part of the requirement for the giving of notice hereunder, although the date of giving and receipt of same shall be determined by the notice to the party hereunder.

City:	City of Rome, Georgia P. O. Box 1433 601 Broad Street Rome, Georgia 30162-1433 Attention: John Bennett
With a copy to:	Robert M. Brinson, Esq. Brinson, Askew, Berry, Seigler, Richardson & Davis, LLP P. O. Box 5513 615 West First Street Rome, Georgia 30163-5513
Northwest	Northwest Ga., LLC 1 State Mutual Drive, N.W. Rome, Georgia 30165-1338 Attention: James N. Kibler
With a copy to:	Gregory A. Randall, Esq. Holt Ney Zatcoff & Wasserman, LLP 100 Galleria Parkway Suite 600 Atlanta, Georgia 30339

Section 7.11. Mutual Representations as to Authority. Subject to the provisions of Article VI, each individual whose signature appear below warrants and represents to all parties hereto that (i) such individual has the full right, power and authority to execute this Agreement in the capacity designated, that (ii) such signatures are sufficient to bind the party on whose behalf this Agreement is being executed to the terms and provisions hereof, and (iii) the party on whose behalf this Agreement is being executed is authorized and empowered to fulfill and carry out the terms hereof in accordance with this Agreement.

Section 7.12. Relationship of Parties. Nothing in this Agreement shall create between Northwest and the City the relationship of principal and agent, joint venturers, partners or any other similar or representative relationship, and Northwest shall not hold itself out as an agent (except as expressly provided herein), representative, partner or joint venturer of the City.

ARTICLE VIII TAD BOND OBLIGATIONS

Section 8.1 Phase I TAD Bonds.

8.1.1 Northwest agrees to use commercially reasonable, diligent efforts to invest or cause the investment in the Redevelopment Area of sufficient improvements so that the total incremental increase in ad valorem taxes for the TAD over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law will cover payments necessary to issue TAD Bonds in the amount not to exceed Six Million Four Hundred Ninety Five Thousand Nine Hundred Seventy Seven and 00/100 Dollars (\$6,495,977.00) (the “**Phase I TAD Bonds**”). Such investment may include without limitation a financial/office building on the Downtown Property, a medical office building in the Redevelopment Area and peripheral development on property owned by Northwest surrounding the Stadium Property and State Mutual Stadium. Within ten (10) days after Northwest provides assurances of its level of investment reasonably sufficient to the City’s bond underwriter, the City shall authorize the issuance and sale of the Phase I TAD Bonds, and, upon the sale thereof, dedicate the proceeds from the sale of the Phase I TAD Bonds to pay the costs of (i) issuance of the Phase I TAD Bonds and interest costs (≈\$424,970.00), (ii) reimbursement to the City and Northwest of their predevelopment costs (≈\$910,905.00) (not to exceed Six Hundred Thousand and 00/100 Dollars (\$600,000.00) per party, exclusive of any reimbursement to Northwest of funds advanced pursuant to Sections 4.1 and 4.2 herein), as set forth in **Exhibit J** attached hereto and made a part hereof, (iii) Demolition of a portion of the Downtown Property and construction of certain Infrastructure Improvements pursuant to the plans and specifications prepared by Northwest and approved by the City as provided in Section 4.1 herein (≈\$1,256,237.00), (iv) construction of the new Barron Stadium on the Stadium Property (≈\$3,662,067.00, not including the Northwest Donation), and (v) relocation of the Gymnasium and Fitness Center currently located on the Downtown Property (≈\$241,798.00).

8.1.2 If on or before December 31, 2006, the Phase I Bonds are not sold (provided that the failure to sell such Phase I TAD Bonds shall not be caused by the City’s refusal to issue such Bonds), the City may purchase from Northwest that portion of the Downtown Property still owned by Northwest (by giving Northwest written notice no later than March 31, 2007) at a purchase price of the lesser of (i) Two Hundred Fifty Thousand and 00/100

Dollars (\$250,000.00) per acre; or (ii) the appraised value of such property, as determined by an MAI appraiser with at least ten (10) years' experience and acceptable to the City and Northwest. If Northwest and the City are unable to agree on such appraiser, Northwest and the City shall each select an MAI appraiser with at least ten (10) years' experience, who in turn shall select an MAI appraiser with at least ten (10) years' experience to perform the appraisal, which shall be binding on Northwest and the City. Northwest shall convey such portion of Downtown Property to the City by general warranty deed subject only the exceptions set forth in **Exhibit D** attached hereto and such other exceptions approved by the City, and Northwest shall deliver to the City such affidavits, lien waivers and other evidence as may reasonably be required by the title company insuring City's title to such Downtown Property, including, without limitation, a title affidavit in the form customarily utilized in Georgia commercial real estate transactions, so as to enable the title company to furnish the City with a title insurance policy without exception for mechanics' and materialmen's liens and broker's liens. In addition, Northwest shall deliver any additional items or documents deemed reasonably necessary or appropriate by the City's and Northwest's counsel in connection with such sale and acquisition.

8.1.3 If Northwest provides to the City's underwriter adequate assurances that the level of investment will be sufficient so that the total incremental increase in ad valorem taxes for the TAD over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law will cover payments necessary to issue the Phase I Bonds, and the City thereafter refuses to issue the Phase I Bonds and dedicate the proceeds from the sale of the Phase I Bonds as set forth in Section 8.1.1 herein, Northwest may require (by giving the City written notice within 90 days after the City's refusal to issue such Phase I Bonds) the City to purchase that portion of the Downtown Property still owned by Northwest at a purchase price of the greater of (i) Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) per acre; or (ii) the appraised value of such property, as determined by an MAI appraiser with at least ten (10) years' experience and acceptable to the City and Northwest. If Northwest and the City are unable to agree on such appraiser, Northwest and the City shall each select an MAI appraiser with at least ten (10) years' experience, who in turn shall select an MAI appraiser with at least ten (10) years' experience to perform the appraisal, which shall be binding on Northwest and the City. Northwest shall convey such Downtown Property to the City by general warranty deed subject only the exceptions set forth in **Exhibit D** attached hereto and such other exceptions approved by the City, and Northwest shall deliver to the City such affidavits, lien waivers and other evidence as may reasonably be required by the title company insuring City's title to such Downtown Property, including, without limitation, a title affidavit in the form customarily utilized in Georgia commercial real estate transactions, so as to enable the title company to furnish the City with a title insurance policy without exception for mechanics' and materialmen's liens and broker's liens. In addition, Northwest shall deliver any additional items or documents deemed reasonably necessary or appropriate by the City's and Northwest's counsel in connection with such sale and acquisition.

Section 8.2. Phase II TAD Bonds.

8.2.1 Northwest agrees to use commercially reasonable, diligent efforts to invest or cause the investment in the Redevelopment Area of sufficient improvements so that the total incremental increase in ad valorem taxes for the TAD over the base approved by the State of

Georgia pursuant to the Redevelopment Powers Law will cover payments necessary to issue TAD Bonds in the amount not to exceed Six Million Two Hundred Thirty Eight Thousand Two Hundred Ninety Nine and 00/100 Dollars (\$6,238,799.00) (the “**Phase II TAD Bonds**”). Such investment may include without limitation peripheral development on property owned by Northwest surrounding the Stadium Property and State Mutual Stadium, an office building on the Downtown Property, a cancer center located within the Redevelopment Area and condominiums on the Downtown Property. Within ten (10) days after Northwest provides assurances of its level of investment reasonably sufficient to the City’s bond underwriter, the City shall authorize the issuance and sale of the Phase II TAD Bonds, and, upon the sale thereof, dedicate the proceeds from the sale of the Phase II TAD Bonds to pay the costs of (i) issuance of the Phase II TAD Bonds and interest costs (≈\$536,170.00), (ii) reimbursement to the City and Northwest of their predevelopment costs (≈\$130,000.00) (not to exceed One Hundred Thousand and 00/100 Dollars (\$100,000.00) for Northwest, exclusive of any reimbursement to Northwest of funds advanced pursuant to Sections 4.1 and 4.2 herein), as set forth in **Exhibit K** attached hereto and made a part hereof, (iii) two (2) of the Central Parking Structures (≈\$3,976,194.00); (iv) the partial construction of new tennis facilities (≈\$1,336,634.00); and (v) Demolition of a portion of the Downtown Property and construction of certain Infrastructure Improvements pursuant to the plans and specifications prepared by Northwest and approved by the City as provided in Section 4.1 herein (≈\$1,259,301.00).

8.2.2 If on or before June 30, 2010, the Phase II TAD Bonds are not sold (provided that the failure to sell such Phase II TAD Bonds shall not be caused by the City’s refusal to issue such Bonds), the City may purchase from Northwest (by giving Northwest written notice no later than March 31, 2011) that portion of the Downtown Property still owned by Northwest at a purchase price of the lesser of (i) Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) per acre; or (ii) the appraised value of such property, as determined by an MAI appraiser with at least ten (10) years’ experience and acceptable to the City and Northwest. If Northwest and the City are unable to agree on such appraiser, Northwest and the City shall each select an MAI appraiser with at least ten (10) years’ experience, who in turn shall select an MAI appraiser with at least ten (10) years’ experience to perform the appraisal, which shall be binding on Northwest and the City. Northwest shall convey such Downtown Property to the City by general warranty deed subject only the exceptions set forth in **Exhibit D** attached hereto and such other exceptions approved by the City, and Northwest shall deliver to the City such affidavits, lien waivers and other evidence as may reasonably be required by the title company insuring City’s title to such Downtown Property, including, without limitation, a title affidavit in the form customarily utilized in Georgia commercial real estate transactions, so as to enable the title company to furnish the City with a title insurance policy without exception for mechanics’ and materialmen’s liens and broker’s liens. In addition, Northwest shall deliver any additional items or documents deemed reasonably necessary or appropriate by the City’s and Northwest’s counsel in connection with such sale and acquisition.

8.2.3 If Northwest provides to the City’s underwriter adequate assurances that the level of investment will be sufficient so that the total incremental increase in ad valorem taxes for the TAD over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law will cover payments necessary to issue the Phase II TAD Bonds, and the City thereafter refuses to issue the Phase II TAD Bonds and dedicate the proceeds from the sale of the

Phase II TAD Bonds as set forth in Section 8.2.1 herein, Northwest may require (by giving the City written notice within 90 days after the City's refusal to issue such Phase II TAD Bonds) the City to purchase, that portion of the Downtown Property still owned by Northwest at a purchase price of the greater of (i) Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) per acre; or (ii) the appraised value of such property, as determined by an MAI appraiser with at least ten (10) years' experience and acceptable to the City and Northwest. If Northwest and the City are unable to agree on such appraiser, Northwest and the City shall each select an MAI appraiser with at least ten (10) years' experience, who in turn shall select an MAI appraiser with at least ten (10) years' experience to perform the appraisal, which shall be binding on Northwest and the City. Northwest shall convey such Downtown Property to the City by general warranty deed subject only the exceptions set forth in **Exhibit D** attached hereto and such other exceptions approved by the City, and Northwest shall deliver to the City such affidavits, lien waivers and other evidence as may reasonably be required by the title company insuring City's title to such Downtown Property, including, without limitation, a title affidavit in the form customarily utilized in Georgia commercial real estate transactions, so as to enable the title company to furnish the City with a title insurance policy without exception for mechanics' and materialmen's liens and broker's liens. In addition, Northwest shall deliver any additional items or documents deemed reasonably necessary or appropriate by the City's and Northwest's counsel in connection with such sale and acquisition.

Section 8.3 Phase III TAD Bonds.

8.3.1 Northwest agrees to use commercially reasonable, diligent efforts to invest or cause the investment in the Redevelopment Area of sufficient improvements so that the total incremental increase in ad valorem taxes for the TAD over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law will cover payments necessary to issue TAD Bonds in the amount not to exceed Eleven Million Nine Hundred Seventy Nine Thousand Two Hundred Eighty Six and 00/100 Dollars (\$11,979,286.00) (the "**Phase III TAD Bonds**"). Such investment may include without limitation a hotel on the Downtown Property, peripheral development on property owned by Northwest surrounding the Stadium Property and State Mutual Stadium, a retail and office building on the Downtown Property and condominiums on the Downtown Property. Within ten (10) days after Northwest provides assurances of its level of investment reasonably sufficient to the City's bond underwriter, the City shall authorize the issuance and sale of the Phase III TAD Bonds, and, upon the sale thereof, dedicate the proceeds from the sale of the Phase III TAD Bonds to pay the costs of (i) issuance of the Phase III TAD Bonds and interest payments (≈\$938,469.00); (ii) reimbursement to the City and Northwest of their predevelopment costs (≈\$130,000.00) (not to exceed One Hundred Thousand and 00/100 Dollars (\$100,000.00) for Northwest, exclusive of any reimbursement to Northwest of funds advanced pursuant to Sections 4.1 and 4.2 herein), as set forth in **Exhibit L** attached hereto and made a part hereof; (iii) Demolition of a portion of the Downtown Property and construction of certain Infrastructure Improvements consisting of hotel site work and streetscape (≈\$1,450,298.00); (iv) construction of the Levee Parking Structure and one (1) of the Central Parking Structures (≈\$8,604,692.00); (v) relocation of the recreation offices and maintenance facilities of the City and County currently located on the Downtown Property (≈\$242,977.00); and (vi) completion of the tennis facilities currently located on the Downtown Property (≈\$612,850.00).

8.3.2 If on or before December 31, 2013, Phase III TAD Bonds are not sold (provided that the failure to sell such Phase III TAD Bonds shall not be caused by the City's refusal to issue such Bonds), the City may purchase from Northwest (by giving Northwest written notice no later than March 31, 2014) that portion of the Downtown Property still owned by Northwest at a purchase price of the lesser of (i) Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) per acre; or (ii) the appraised value of such property, as determined by an MAI appraiser with at least ten (10) years' experience and acceptable to the City and Northwest. If Northwest and the City are unable to agree on such appraiser, Northwest and the City shall each select an MAI appraiser with at least ten (10) years' experience, who in turn shall select an MAI appraiser with at least ten (10) years' experience to perform the appraisal, which shall be binding on Northwest and the City. Northwest shall convey such Downtown Property to the City by general warranty deed subject only the exceptions set forth in **Exhibit D** attached hereto and such other exceptions approved by the City, and Northwest shall deliver to the City such affidavits, lien waivers and other evidence as may reasonably be required by the title company insuring City's title to such Downtown Property, including, without limitation, a title affidavit in the form customarily utilized in Georgia commercial real estate transactions, so as to enable the title company to furnish the City with a title insurance policy without exception for mechanics' and materialmen's liens and broker's liens. In addition, Northwest shall deliver any additional items or documents deemed reasonably necessary or appropriate by the City's and Northwest's counsel in connection with such sale and acquisition.

8.3.3 If Northwest provides to the City's underwriter adequate assurances that the level of investment will be sufficient so that the total incremental increase in ad valorem taxes for the TAD over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law will cover payments necessary to issue the Phase III TAD Bonds, and the City thereafter refuses to issue the Phase III TAD Bonds and dedicate the proceeds from the sale of the Phase III TAD Bonds as set forth in Section 8.3.1 herein, Northwest may require (by giving the City written notice within 90 days after the City's refusal to issue such Phase III TAD Bonds) the City to purchase that portion of the Downtown Property still owned by Northwest at a purchase price of the greater of (i) Three Hundred Fifty Thousand and 00/100 Dollars (\$350,000.00) per acre; or (ii) the appraised value of such property, as determined by an MAI appraiser with at least ten (10) years' experience and acceptable to the City and Northwest. If Northwest and the City are unable to agree on such appraiser, Northwest and the City shall each select an MAI appraiser with at least ten (10) years' experience, who in turn shall select an MAI appraiser with at least ten (10) years' experience to perform the appraisal, which shall be binding on Northwest and the City. Northwest shall convey such Downtown Property to the City by general warranty deed subject only the exceptions set forth in **Exhibit D** attached hereto and such other exceptions approved by the City, and Northwest shall deliver to the City such affidavits, lien waivers and other evidence as may reasonably be required by the title company insuring City's title to such Downtown Property, including, without limitation, a title affidavit in the form customarily utilized in Georgia commercial real estate transactions, so as to enable the title company to furnish the City with a title insurance policy without exception for mechanics' and materialmen's liens and broker's liens. In addition, Northwest shall deliver any additional items or documents deemed reasonably necessary or appropriate by the City's and Northwest's counsel in connection with such sale and acquisition.

Section 8.4 Remedies Not Intended as Penalties. The remedies provided for in this Section 8 are intended as agreed-upon liquidated damages and not as a penalty, it being otherwise difficult or impossible to estimate the actual damages a party would incur, but which liquidated damages are a good faith pre-estimate of the actual damages to be suffered, and which liquidated damages shall be in lieu of any other damages or the right to specific performance.

Section 8.5 City's Covenants Regarding TAD Revenues. So long as Northwest has not defaulted under this Agreement, or failed to provide to the City's underwriter adequate assurances that the level of investment will be sufficient to cover payments necessary to issue any given phase of TAD bonds, the City covenants that until the earlier of (a) seven (7) years commencing on the date of the Exchange Closing, or (b) the sale of the Phase III TAD Bonds, (i) the City will not pledge or use any portion of the incremental increase in ad valorem taxes for the TAD over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law for any other purposes other than those set forth in this Agreement; (ii) the City will use the incremental increase in ad valorem taxes for the TAD over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law to satisfy the City's obligations with respect to the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds. On an annual basis during such period, after satisfying the City's yearly obligation for such Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds, the City may elect to use any excess incremental increase in the ad valorem tax revenue to (a) prepay such bonds, or (b) to fund any project referenced herein, with a resulting reduction in the applicable phase of the TAD Bonds, or (c) to satisfy any cost overruns as set forth in Section 8.6 below. The City and Northwest agree that any excess funds after satisfying the City's obligations with respect to the Phase I TAD Bonds and the Phase II TAD Bonds may be applied toward construction of the new tennis facilities. After the earlier of (a) seven (7) years commencing on the date of the Exchange Closing, or (b) the sale of the Phase III TAD Bonds, any incremental increase in ad valorem taxes for the TAD over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law not required to satisfy the City's obligations with respect to the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds may be used by the City for any purpose.

Section 8.6 Cost Overruns. The City and Northwest agree that the contracts for construction of the new Barron Stadium, the new tennis facilities, the relocated maintenance facilities, gymnasium, fitness center and recreation offices, the Infrastructure Improvements, the Central Parking Structures and the Levee Parking Structure shall be let on a guaranteed maximum price basis if possible and the parties shall ensure that the projects described herein are completed on schedule and within the budgets agreed upon by the City and Northwest. Notwithstanding the foregoing, in the event of costs overruns, the City may use any excess in the incremental increase in ad valorem taxes for the TAD over the base approved by the State of Georgia pursuant to the Redevelopment Powers Law over that required to meet the City's obligations under and with respect to the Phase I TAD Bonds, the Phase II TAD Bonds and the Phase III TAD Bonds to pay such cost overruns.

Section 8.7 New Barron Stadium. Northwest and the City agree that the timing of the demolition of the existing Barron Stadium and the construction of the new Barron Stadium on the Stadium Property is critical to both parties. Therefore, notwithstanding anything to the

contrary contained in this Agreement, if the Phase I TAD Bonds have not been issued and sold on or before February 1, 2006, for any reason other than the City's refusal to issue such Phase I TAD Bonds, then the City may (i) reduce the scope of the projects to be funded by the Phase I TAD Bonds to include only the cost of issuing the Phase I TAD Bonds, the cost of constructing the new Barron Stadium and any additional budgeted costs for which Northwest has provided sufficient assurances that the level of investment will be sufficient to cover payments necessary to issue such TAD Bonds, with the remaining amounts currently budgeted in Section 8.1.1 herein (including any funds advanced by Northwest for the demolition of Barron Stadium and adjacent buildings on the Downtown Property) to be reallocated to the Phase II TAD Bonds and the Phase III TAD Bonds; or (ii) issue Revenue Bonds or other means of financing pledging the incremental increase in ad valorem taxes for the TAD. Notwithstanding anything to the contrary contained in this Agreement, demolition of the existing Barron Stadium shall not commence until Northwest has provided to the City's underwriter adequate assurances that the level of investment will be sufficient to cover payments necessary to issue TAD Bonds for the cost of issuing such bonds and the cost to construct the new Barron Stadium only.

The Exchange Closing shall not take place unless (i) Northwest has provided adequate assurances, to the City, based on the City's consultation with its underwriter, that the level of investment will be sufficient to cover payments necessary to issue TAD Bonds for the cost of issuing such bonds and the cost to construct the new Barron Stadium only, or (ii) the City and Northwest have agreed on an alternative method of financing the construction of the new Barron Stadium, including, without limitation, one of the methods set forth in this Section 8.7.

8.8 Scope of TAD Bonds. Notwithstanding anything in this Agreement to the contrary, the City and Northwest may mutually agree to (i) revise the scope of the funding for a particular phase of the TAD Bonds so that a particular project will be funded in a different phase than agreed upon in this Section 8 (e.g., increasing the funding for construction of new tennis courts in Phase II, with a corresponding decrease in the funding for the tennis courts in Phase III), and with a corresponding change in the amount of the TAD Bonds and Northwest's obligation to provide a level of investment sufficient to support each phase of the TAD Bonds in any particular phase thereof; (ii) increasing or decreasing the scope of a particular project, with a corresponding change in the amount of the TAD Bonds and Northwest's obligation to provide a level of investment sufficient to support the TAD Bonds in any particular phase thereof; and (iii) undertaking a further subdivision in a particular phase of the TAD Bonds so that any phase may have one or more subparts (e.g., creating two phases of the Phase III TAD Bonds), with a corresponding change in the amount of the TAD Bonds and Northwest's obligation to provide a level of investment sufficient to support the TAD Bonds in any particular phase thereof.

(Signatures Commence On Next Page)

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals all the day and year first above written.

CITY OF ROME, GEORGIA,
a political subdivision of the State of Georgia

By: _____
Name: _____
Title: _____

ATTEST:

By: _____
Name: _____
Title: _____

[Authorized Parties to Bind Said Entity]

NORTHWEST GA., LLC,
a Georgia limited liability company

By: _____
Name: _____
Title: _____

[Authorized Party to Bind Said Entity]

EXHIBIT A
(Downtown Property Description)

All of that tract of Land lying and being in Land Lot 244 of the 23rd District, Floyd County, Georgia, and being more particularly described as follow:

All of Tract 1 (containing approximately 6.459 acres) and Tract 2 (containing approximately 5.375 acres) as shown on that certain Survey prepared for the City of Rome by the City of Rome Engineering Department, bearing the seal and certification of Randall E. Carver, Georgia Registered Land Surveyor No. 2331, dated February 17, 2005, which survey is incorporated herein by reference.

TOGETHER WITH:

All of that tract of Land lying and being in Land Lot 244 of the 23rd District, Floyd County, Georgia, and being more particularly described as follow:

All of that tract containing approximately 2.440 acres, as shown on that certain Survey prepared for the City of Rome by the City of Rome Engineering Department, bearing the seal and certification of Randall E. Carver, Georgia Registered Land Surveyor No. 2331, dated February 17, 2005, which survey is incorporated herein by reference

THE CITY WILL RESERVE AN EASEMENT OVER, ACROSS AND THROUGH THE DOWNTOWN PROPERTY TO ALLOW PEDESTRIAN ACCESS TO THE HOSPITAL, WHICH ACCESS MAY BE RELOCATED AT ANY TIME BY NORTHWEST, AT NORTHWEST'S SOLE COSTS AND EXPENSE

EXHIBIT B
(Stadium Property Description)

EXHIBIT C
(Redevelopment Area Description)

EXHIBIT D
Reserved

EXHIBIT E
(Permitted Exceptions for Stadium Property)

1. General and special taxes and assessments for the year 2006 and subsequent years, not yet due and payable; and the lien of additional real property taxes by reason of increased or amended assessments.
2. No insurance is afforded as to the exact amount of acreage contained in the subject property.
3. Restriction as to use of property contained in Corporation Warranty Deed from J.L. Todd Company to Virginia B. Summer, dated September 16, 1982, filed October 14, 1982, recorded in **Deed Book 868, page 810**, Floyd County, Georgia records.
4. Easement from Virginia B. Summer to Southern Bell Telephone and Telegraph Company, dated October 24, 1991, filed October 28, 1991, recorded in **Deed Book 1143, page 235**, aforesaid records.
5. Easements set forth in Deed of Gift from Donald Lynn Evans, Kevin Carl Evans and Robert Eugene Evans to City of Rome, dated March 22, 2000, filed March 27, 2000, recorded in **Deed Book 1579, page 964**, aforesaid records.
6. Easement from Kevin C. Evans to Georgia Power Company, dated May 8, 2002, filed June 10, 2002, recorded in **Deed Book 1711, page 919**, aforesaid records.
7. Easement from Donald Lynn Evans, Kevin Carl Evans and Robert Eugene Evans to Georgia Power Company, dated July 3, 2002, filed July 31, 2002, recorded in **Deed Book 1720, page 1079**, aforesaid records.
8. Easement from Donald Lynn Evans, Kevin Carl Evans and Robert Eugene Evans to Georgia Power Company, dated July 3, 2002, filed July 31, 2002, recorded in **Deed Book 1720, page 1082**, aforesaid records.
9. All matters disclosed on that certain ALTA/ACSM Land Title Survey for Northwest Ga., LLC and Commonwealth Land Title Insurance Company, prepared by, Georgia Registered Land Surveyor No. 2760, of Civil South, Inc., dated August 25, 2005.

EXHIBIT F
(TAD Property Description)

EXHIBIT G
(Northwest's Conceptual Plan)

EXHIBIT H
Reserved

EXHIBIT I
Reserved

EXHIBIT J

Expense Reimbursement for Phase I TAD Bonds

Northwest Reimbursement	\$600,000.00
City Reimbursement	<u>\$310,905.00</u>
Total	\$910,905.00

EXHIBIT K

Expense Reimbursement for Phase II TAD Bonds

Northwest Reimbursement	\$100,000.00
City Reimbursement	<u>\$30,000.00</u>
Total	\$130,000.00

EXHIBIT L

Expense Reimbursement for Phase III TAD Bonds

Northwest Reimbursement	\$100,000.00
City Reimbursement	<u>\$30,000.00</u>
Total	\$130,000.00