

NEIGHBORHOOD LONG TERM COOPERATION AGREEMENT

THIS NEIGHBORHOOD LONG TERM COOPERATION AGREEMENT (the "Agreement") is made and entered into by and among **PACE ACADEMY, INC.** (hereinafter referred to as "Pace"), and the **WEST PACES/NORTHSIDE NEIGHBORHOOD ASSOCIATION, INC.** (hereinafter referred to as the "WP/NNA" or the "Association"), dated this 4 day of SEPTEMBER, 2007. Each of Pace and WP/NNA are sometimes referred to herein as a "Party" and collectively as the "Parties".

WITNESSETH:

WHEREAS, Pace is the owner of 34.11 acres, more or less, of land located in the City of Atlanta, Fulton County, Georgia and more particularly described on *Exhibit A* (hereinafter the "Property");

WHEREAS, the Association represents and acts on behalf of the interests of the homeowners and property owners in the communities that border the Property; and

WHEREAS, on July 10, 2007, Pace filed a Special Use Permit Application, Application No. U-07-21 (the "2007 SUP") and a Variance Application, Application No. V-07-199 (the "Parking Variance Application" together with the 2007 SUP, hereinafter collectively referred to as the "Applications"), in connection with its desire to reconfigure certain portions of the Pace campus located on the Property, to replace, redevelop, refurbish and/or modify certain of the various facilities located on the Property, as more fully set forth in the 20 year Master Campus Plan attached hereto as *Exhibit B* (the "Master Campus Plan"), to permit the use of certain athletic fields on the Pace campus for the purpose of practicing football, and to obtain a special exception to reduce the number of required parking spaces on the Property from 555 to 418; and

WHEREAS, Pace and the Association have agreed that the changes to the use and configuration of the Property contemplated by the Applications, as well as future changes to the use and configuration of the Property, shall be limited by the Master Campus Plan and the Conditions of Agreement attached hereto as *Exhibit C* (the "Conditions of Agreement"); and

WHEREAS, Pace and the Association wish to execute this Agreement to evidence (i) the various agreements, arrangements and understandings reached by the Parties relative to Pace's reconfiguration and redevelopment of the Property to implement the Master Campus Plan, and (ii) the manner in which the Parties will ensure that communications between Pace and the Association will be open, regular and constructive to facilitate the continued existence of the positive and cooperative relationship between Pace and the Association that prevails as of the date of this Agreement.

NOW, THEREFORE, in consideration of the mutual representations, warranties and covenants by each Party hereto, the receipt and sufficiency of which are hereby acknowledged, the Parties do hereby agree as follows:

Section 1. Use and Development of Property; Phase I and Phase II.

(a) Pace hereby covenants and agrees that during the term of this Agreement Pace's use of the Property and any changes to the current design and layout of the Property shall be subject to and in accordance with the Master Campus Plan and the Conditions of Agreement, which are incorporated herein by this reference. In this regard, it is expressly acknowledged that the Conditions of Agreement are an integral part of this Agreement between Pace and the Association regarding the reconfiguration and redevelopment of the Property as contemplated by the Master Campus Plan, notwithstanding that many of the conditions set forth on *Exhibit C* are also conditions that may be imposed by the City of Atlanta, Georgia, in connection with the granting of the Applications. The Parties expressly acknowledge and agree that, to the extent any specific aspect of the reconfiguration and redevelopment of the Property is consistent with the general outline set forth in the Master Campus Plan and the terms of the Conditions of Agreement, then the implementation thereof shall be subject only to compliance with any zoning, architectural, building and other relevant codes, rules or regulations promulgated by the City of Atlanta (the "Building Regulations") that are at the time applicable to such aspect of the reconfiguration and redevelopment of the Property.

(b) Pace covenants that initially the changes to the design, layout and utilization of the West Paces Ferry campus shall be limited to the expansion of the Lower School to be constructed in Building Area "A" as reflected on the Master Campus Plan, increasing student enrollment, and using the existing lower athletic fields on the West Paces Ferry campus for the practice of football, all as more fully described in the Conditions of Agreement. Subject to compliance with the Master Campus Plan and the Conditions of Agreement relating to Phase I, the Lower School Expansion can be implemented subject to approval of the Applications and compliance with all applicable Building Regulations that may be applicable to the Lower School expansion.

(c) The changes to the design, layout and utilization of the West Paces Ferry campus to be implemented by Pace in Phase II of the Master Campus Plan include, without limitation, the construction of a parking garage, renovation/demolition of certain residential properties located on West Paces Ferry for use as the residence of the Head of School and a related surface parking facility, and the construction of a new Upper School, each to be located in Building Areas A, B or C as reflected on the Master Campus Plan, as well as the relocation of the rear property line of certain residential properties owned by Pace and located on Rilman Road and the development of a new 80 yards by 50 yards practice field, all as reflected on the Master Campus Plan and as described in the Conditions of Agreement. Pace contemplates that Phase II may be implemented either in its entirety or in a gradual manner as Pace may determine to be appropriate. Both Pace and the Association agree that to implement Phase II, Pace will need to amend the Special Use Permit Application, Application No. U-07-21. The implementation of any portion of Phase II shall be subject to the terms and conditions of the Master Campus Plan and the Conditions of Agreement under the caption "Phase II" relating specifically to the Phase II developments Pace seeks to then implement as well as the receipt of all necessary permits and approvals from the City of Atlanta and upon compliance with all Building Regulations applicable to the subject development. To the extent the implementation of any Phase II development involving new construction or renovation to existing structures is consistent with the Master Campus Plan and the Conditions of Agreement and will be confined to Building

Areas A, B or C as reflected on the Master Campus Plan, then Pace may implement such development subject only to the receipt of all necessary permits and approvals from the City of Atlanta and upon compliance with all applicable Building Regulations.

(d) Pace agrees to provide the Association at least thirty (30) days prior written notice of any proposed application or request to the City of Atlanta or any department thereof for a Special Use Permit, an amendment to a Special Use Permit, a zoning variance, an administrative change to any Special Use Permit or special exception, or any other request for a change or modification of the zoning conditions applicable to the Property.

Section 2. Dispute Resolution.

(a) The Parties hereby stipulate that any and all disputes between them arising out of or otherwise relating to this Agreement, including, without limitation, the interpretation of this Agreement, as the same may be subsequently amended or modified, shall first be submitted to the Neighborhood Relations Committee (as defined in the Conditions of Agreement) which shall have 60 calendar days to consider and resolve any such dispute. In the event the Neighborhood Relations Committee is unable to resolve any such dispute to the satisfaction of either Party, then the Parties agree to participate in at least eight hours of mediation with a mediator agreeable to both parties. The parties agree to share equally in the cost of the mediation. Mediation involves both parties sitting down with an impartial person, the mediator, to attempt to reach a voluntary settlement. Mediation involves no formal court procedures and the mediator has no authority to render a binding decision or force an agreement of the Parties. If an agreement of the Parties is reached, said agreement shall be memorialized in writing. The Parties agree that neither shall take any action with respect to any matter which has been submitted to the dispute resolution procedure pending completion of the foregoing dispute resolution procedures.

(b) The Parties hereby acknowledge that, if the Neighborhood Relations Committee is unable to resolve any "Qualified Objection" (as defined in the Conditions to Agreement) relating to Pace's plans for the changes to Pace's campus described in Phase II, Paragraphs 1, 2 or 4 of the Conditions of Agreement through the dispute resolution procedures described in subparagraph (a) above, then uncertainty shall exist as to whether such plans are consistent with the terms of this Agreement. The Parties further expressly acknowledge and agree that said uncertainty will expose each of them to potential liability if Pace proceeds with its plans for such proposed changes without the final approval of the Neighborhood Relations Committee. Accordingly, the Parties expressly agree that, in such event, an actual controversy shall exist and either Party may seek a Declaratory Judgment to resolve the dispute between Pace and the Association.

(c) Unless prohibited by applicable law, any dispute under this Agreement must be commenced within one (1) year of the conduct or an event giving rise to the dispute.

Section 3. Support of Applications.

In consideration of the covenants and agreements of Pace which are contained in this Agreement, and subject to Pace's compliance with the terms thereof, the Association consents to

the changes to the utilization, design and layout of the Property described in the Master Campus Plan and Conditions of Agreement, and agrees to support Pace's request for approval of the Applications by the Atlanta City Council, the Board of Zoning Adjustment and/or Zoning Review Board, as well as any subsequent requests for approval from the Atlanta City Council and/or Zoning Board relating to Phase II of the Master Campus Plan which are consistent with the terms of this Agreement. If deemed necessary by Pace, the Association agrees to have at least one (1) representative appear on behalf of the Association and make a statement at any hearing of the Neighborhood Planning Unit - A ("NPU-A"), Board of Zoning Adjustment, Zoning Review Board and/or Atlanta City Council supporting any applications filed by Pace which are consistent with the terms of this Agreement.

Section 4. Term and Termination of this Agreement.

(a) Except as expressly provided herein, the rights and obligations established by this Agreement shall be effective for the period commencing on the date hereof and shall expire on the twentieth (20th) anniversary of the date hereof.

(b) This Agreement shall be automatically void should both the 2007 SUP and the Parking Variance Application be denied by the City of Atlanta, or should any representative of WP/NNA, who is authorized by and acting on behalf of WP/NNA, oppose the Applications, commence any action seeking to void or overturn the Applications or attempt to voluntarily intervene in a suit commenced by a third party seeking to void or overturn approval of the Applications.

(c) Should either the 2007 SUP or the Parking Variance Application be denied, or should either or both of such Applications be approved by the City of Atlanta with terms materially different than those set forth in this Agreement and to which Pace does not agree, Pace may, at its option, terminate this Agreement, provided that in such event Pace covenants and agrees that it shall not proceed with any of the changes to the use of the Pace campus permitted by the approved Applications unless and until a new Long Term Cooperation Agreement is entered into with the Association. The terms of this subparagraph (c) shall survive the termination of this Agreement.

(d) The Parties further agree that should any person residing in the geographic area subsumed by the Association (other than those contemplated by the immediately preceding sentence) commence any action seeking to oppose, overturn or void the Applications, the Association will not participate or in any manner, directly support such action. However, should any such action be successful in overturning any approval of the Applications, this Agreement shall be void.

(e) Should any portion of the Property be the subject of a condemnation action, the provisions of this Agreement shall be considered void only as to the Property condemned.

Section 5. Miscellaneous.

(a) This Agreement may be executed and delivered (including by facsimile transmission) in one or more counterparts, by the different Parties hereto in separate

counterparts, each of which when executed and delivered shall be deemed to be an original but all of which taken together shall constitute one and the same agreement.

(b) This Agreement, together with the exhibits attached hereto, supersedes all previous agreements, arrangements and understandings among the Parties and constitutes the entire agreement among the Parties hereto pertaining to the subject matter hereof and shall be controlled in all respects by the laws of the State of Georgia. No representations, warranties, covenants, agreements or understandings by any Party, express or implied, not specifically incorporated in writing into this Agreement shall be binding or have any effect whatsoever.

(c) Neither this Agreement nor any of the rights, interests or obligations hereunder shall be assigned by any of the Parties hereto without the prior written consent of the other Parties hereto. This Agreement shall be binding upon and shall inure to the benefit of the Parties hereto and their respective successors and permitted assigns. Notwithstanding anything contained in this Agreement to the contrary, nothing in this Agreement, expressed or implied, is intended or shall be construed to confer on any person other than the Parties hereto or their respective successors and permitted assigns any rights or remedies under or by reason of this Agreement. The rights and remedies provided in this Agreement are cumulative and are exclusive of any rights or remedies that any Party may otherwise have at law or in equity. Each Party expressly acknowledges and agrees that in the event of a breach or threatened breach of any provision of this Agreement, the respective rights and obligations of the Parties hereunder shall be enforceable by specific performance, injunction, or other equitable remedy, it being agreed that damages at law may be an inadequate remedy.

(d) All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given (and shall be deemed to have been duly given upon confirmation of delivery) by delivery in person, by telecopy or facsimile, by registered or certified mail (postage prepaid, return receipt requested) or by a nationally recognized courier service to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this Section):

(i) if to Pace:

Pace Academy
966 West Paces Ferry Road
Atlanta, GA 30327
Attention: Head of School
Fax: 404-264-9376

(ii) if to WP/NNA:

West Paces/Northside Neighborhood Association, Inc.
Box 291
1266 West Paces Ferry Road, NW
Atlanta, Georgia 30327
Attention: President

(e) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the legal substance of the agreements contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner to the fullest extent permitted by applicable law in order that the agreements contemplated hereby may be consummated as originally contemplated to the fullest extent possible.

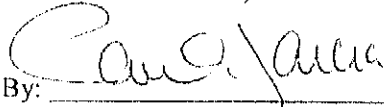
(f) The descriptive headings contained in this Agreement are included for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

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[Signature Page Immediately Follows]

IN WITNESS WHEREOF, the undersigned duly authorized representatives of the Parties to this Neighborhood Long Term Cooperation Agreement, have here unto set our hands and on the day and year first written above.

PACE ACADEMY, INC.

By: 
Paul Garcia, Chair, Board of Trustees

**WEST PACES/NORTHSIDE
NEIGHBORHOOD ASSOCIATION, INC.**

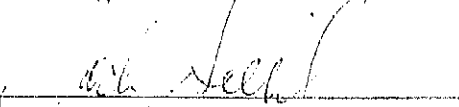
By: 
Name: Jack Hellriegel
Office: President

EXHIBIT A

Legal Description of Pace Academy's West Paces Ferry Campus

LEGAL DESCRIPTION FOR PACE ACADEMY

Being all that tract or parcel of land lying and being in Land Lots 158, 181 & 182, 17th District, Fulton County, Georgia and being more particularly described as follows:

Beginning for the same at a ½ inch rebar set at the intersection of the easterly right-of-way line of Rilman Road, (an apparent 40 feet wide right-of-way), and the southerly right-of-way line at West Paces Ferry Road (an apparent 50 feet wide right-of-way); thence, leaving said Point of Beginning and running with the said line of West Paces Ferry Road

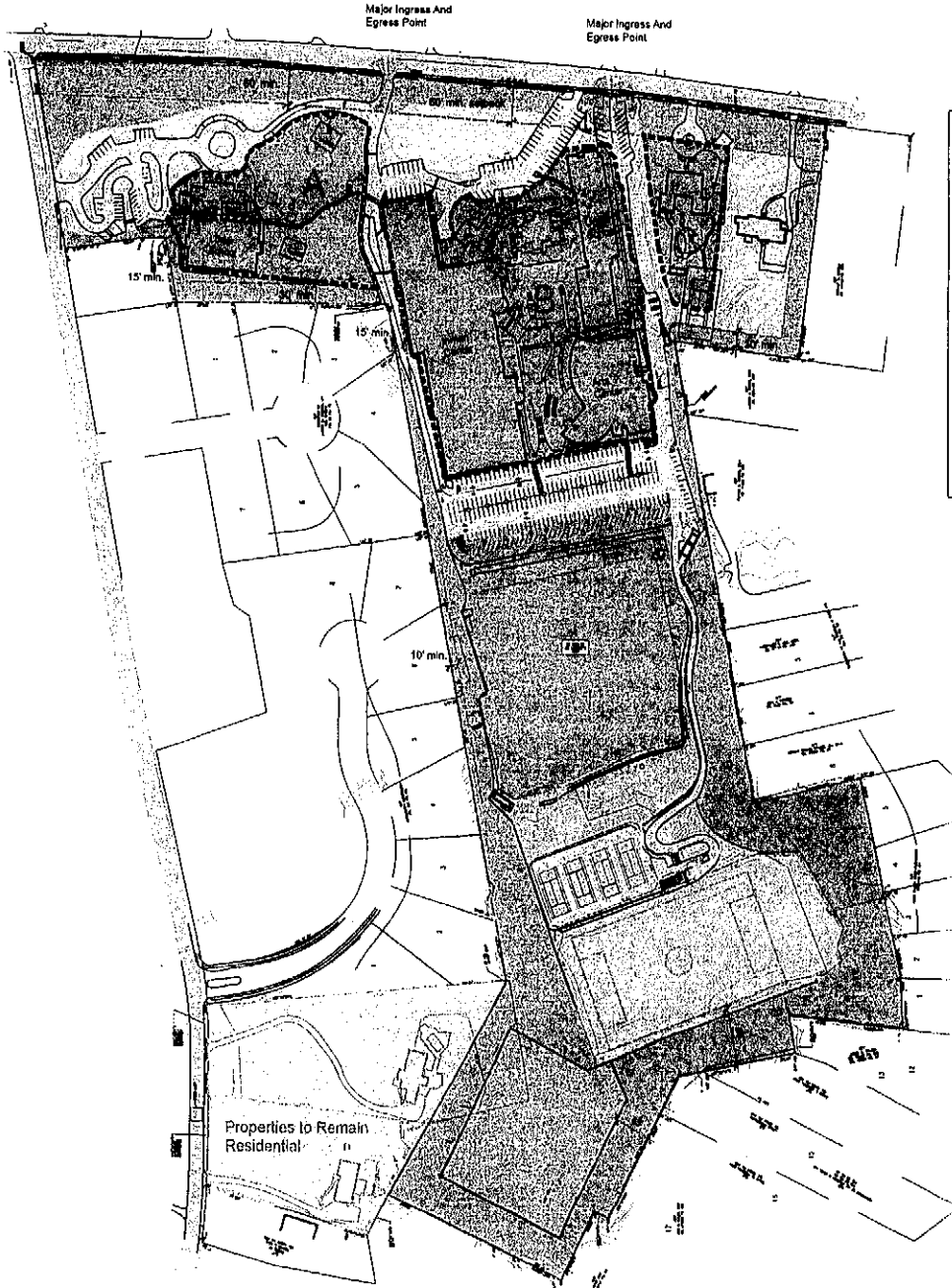
1. 553.78 feet along the arc of a curve deflecting to the right, having a radius of 8,950.00 feet and a chord bearing and distance of south 77° 05' 42" east, 553.69 feet; thence,
2. South 75° 19' 21" east, 347.20 feet; thence,
3. 152.64 feet along the arc of a curve deflecting to the right, having a radius of 2,337.35 feet and a chord bearing and distance of south 73° 27' 06" east, 152.61 feet to a 1 inch open top pipe found; thence,
4. South 71° 34' 51" east, 199.66 feet to a ½ inch rebar found; thence,
5. South 71° 50' 57" east, 150.46 feet to a ½ open top pipe found; thence, leaving aforesaid line of West Paces Ferry Road and running with the property now or formerly owned by Stanley M. Srochi as described in a deed recorded among the Land Records of Fulton County, Georgia in Deed Book 16436, Page 253
6. South 18° 19' 58" west, 399.63 feet to a ½ inch rebar found; thence, running with the property now or formerly owned by Robert G. Loewy, et ux
7. North 71° 43' 13" west, 150.0 feet to a ½ inch open top pipe found; thence
8. North 71° 43' 13" west, 71.43 feet; thence,
9. South 01° 12' 37" west, 124.99 feet to a ½ inch open top pipe found; thence, running with the property now or formerly owned by Francis B. Owings, et ux
10. South 01° 12' 37" west, 374.25 feet; thence, running with the west lines of Lots 5-7 and the south line of Lot 7 of a subdivision entitled "J. J. Williamson & Sons, Inc." and recorded among the aforesaid Land Records in Plat Book 23, Page 54
11. South 00° 49' 10" west, 300.00 feet; thence,
12. North 87° 47' 09" east, 195.93 feet to a 3/8 inch rebar found; thence, running with the west lines of Lots 1-5 of a subdivision entitled "Wood Valley Road Subdivision" and recorded among the aforesaid Land Records in Plat Book 190, Page 34
13. South 00° 52' 37" east, 336.58 feet; thence,
14. South 07° 45' 52" west, 93.02 feet; thence, running with the north and west lines of Lot 12 of the aforesaid plat recorded in Plat Book 23, Page 54
15. North 72° 52' 25" west, 202.61 feet to a ½ inch open top pipe found; thence,
16. South 00° 44' 26" west, 64.32 feet to a 3/4 inch open top pipe found; thence, running with the northwesterly line of Lot 14 and part of Lot 15 of the aforesaid plat recorded in Plat Book 23, Page 54
17. South 89° 58' 13" west, 209.66 feet; thence, running across Lots 15-17 of the aforesaid plat recorded in Plat Book 23, Page 54
18. South 38° 15' 35" west, 274.57 feet to a ½ inch rebar found on the northeasterly line of Lot 18 of the aforesaid plat recorded in Plat Book 23, Page 54; thence, running with the said line of Lot 18
19. North 53° 48' 22" west, 28.07 feet; thence, running across aforesaid Lot 18
20. South 38° 15' 53" west, 130.60 feet to a point on the northeasterly line of Lot 19 of the aforesaid plat recorded in Plat Book 23, Page 54; thence, running with the said line of Lot 19
21. North 53° 16' 23" west, 336.99 feet to a ½ inch rebar found; thence,
22. South 38° 49' 28" west, 80.16 feet to a ½ inch rebar found; thence, running with the property now or formerly owned by William J. Love as described in a deed recorded among the aforesaid Land Records in Deed Book 40468, Page 581

23. North 62° 09' 28" west, 293.32 feet to a ½ inch rebar found on the aforesaid line of aforesaid Rilman Road; thence, running with the said line of Rilman Road;
24. 149.41 feet along the arc of a curve deflecting to the left, having a radius of 3,433.04 feet and a chord bearing and distance of North 12° 14' 34" east, 149.40 feet; thence
25. North 10° 56' 03" east, 99.26 feet; thence,
26. 50.37 feet along the arc of a curve deflecting to the left, having a radius of 590.11 feet and a chord bearing and distance of north 09° 32' 04" east, 50.36 feet; thence, leaving the aforesaid line of Rilman Road and running with the lines of a subdivision entitled "Final Plat of Asheworth" and recorded among the aforesaid Land Records in Plat Book 162, Page 92
27. South 83° 46' 09" east, 527.34 feet to a 5/8 inch rebar found (disturbed); thence,
28. North 00° 46' 09" east, 772.98 feet to a ½ rebar found; thence, running with the lines of a subdivision entitled "Subdivision of Property of Luther H. Randall Jr. and W. C. Shreve" and recorded among the aforesaid Land Records in Plat Book 89, Page 73
29. North 00° 45' 04" east, 394.70 feet; thence,
30. North 78° 57' 56" west, 370.08 feet to a ½ inch rebar found; thence, running with the property now or formerly owned by Sylvia S. Kelley as described in a deed recorded among the aforesaid Land Records in Deed Book 37006, Page 677
31. North 00° 57' 31" east, 109.62 feet; thence,
32. North 80° 08' 10" west, 40.23 feet to a ½ inch rebar found; thence
33. North 87° 14' 10" west, 139.64 feet to a ½ inch rebar found on the aforesaid line of Rilman Road; thence, running with the said line of Rilman Road
34. North 01° 16' 09" east, 328.02 feet to the Point of Beginning, containing 1,487,871 square feet or 34.1568 acres of land, more or less.

Property is subject to all easements and rights-of-way recorded and unrecorded.

EXHIBIT B

Pace Academy 20 Year Master Campus Plan



KEY

- Residential to remain
- Undisturbed buffer - distances vary (see site plan)
- Pervious surface - disturbed
No paving but may include fences, athletic appearances, bleachers, and playground equipment
- Pervious surface - disturbed
No paving but may include fences, athletic appearances, and bleachers and may have parking below screened with landscape
- Impervious surfaces - roads, walkways, surface parking
- Buildable area - (see below)
- 50 x 80 yard practice field (without bleachers) with residual property retained as buffer.

- Notes:**
1. Pod A includes the Lower School playground area with possible parking deck below with a height that shall be no higher than at grade with the lowest level of the Lower School Building where the Pre-1st classrooms are located. The maximum footprint of the structure will be approximately 30,000 square feet per level with the southwestern wall being shielded to maximize the emission of light from the structure, by means such as a membrane or solid wall.
 2. Pod C will be used as the Headmaster's house and for related school functions.
 3. All pervious and impervious surface may be improved with accessory structures that do not contain floor area, such as, but not limited to, benches, directional signage, pedestrian lighting, fences, tables and the like. Areas marked as "undisturbed buffers" will not contain such structures, unless specifically noted on the site plan.
 4. Any additions to existing buildings will not protrude higher than the existing building to which they are added. Any new structures will comply with the height limits of the Zoning Ordinances.
 5. Pace will cap its enrollment at a targeted total of 1,000 students, not to be exceeded by 1.5% at the W. Paces Ferry Road campus through the academic year ending in June 2010. From August 2010 through the academic year ending in June 2017, such enrollment will not exceed a targeted total of 1,100 students, not to be exceeded by 1.5%. The number of Classrooms will be the number necessary to meet agreed upon enrollment target and the code at the time of construction.
- Anticipated maximum number of classrooms per area shown on plan shall be as follows:
- Section A: 25 classrooms
 Section B: 70 classrooms
 Total: 95 classrooms

Pace Academy

Total Lot Size 1,335,463 sf

FLOOR AREA
 Per R-2 Zoning Sec 16-04.008 (5)
 Maximum Floor Area Ratio (FAR) shall not exceed 0.30.

Existing Site Area	1,335,463 sf
Maximum Allowable FAR (0.30) x 1,335,463 sf =	400,639 sf
Section A Total square footage allowed	63,524 sf
Section B Total square footage allowed	328,115 sf
Section C** Total square footage allowed	9,000 sf
Total FAR:	400,639 sf

LOT COVERAGE
 Per R-2 Zoning Sec 16-04.008 (6)
 Maximum Lot Coverage shall not exceed 35%.

Existing Site Area	1,335,463 sf
Maximum Allowable lot coverage 35% x 1,335,463 sf =	467,412 sf
Current Lot Coverage	370,039 sf
Remaining Allowable Lot Coverage	97,373 sf

**square footage number includes existing headmasters house
 Note: Offstreet parking facilities, including parking garages, do not count as floor area under the Zoning Ordinance per 16-29.001 (13) (b).

EXHIBIT C
Conditions of Agreement

EXHIBIT C

Conditions of Agreement with Pace Academy

General Conditions

1. **U-93-22.** All Conditions of Special Use Permit U-93-22, adopted October 4, 1993, shall remain in full force and effect except as otherwise set forth in item 9 below, and are hereby incorporated herein by this reference.
2. **Enrollment Cap.** Pace will cap its enrollment at a targeted total of 1,000 students, not to be exceeded by 1.5% at the W. Paces Ferry Road campus through the academic year ending in June 2010. From August 2010 through the academic year ending in June 2017, such enrollment will not exceed a targeted total of 1,100 students, not to be exceeded by 1.5%. Any increase in enrollment after 2017 over the targeted total number of students of 1,100, not to be exceeded by 1.5%, would require agreement of both parties. Pace will not seek an increase in enrollment to greater than 1,200 students, not to be exceeded by 1.5%. Students shall include all children enrolled in pre-1st through 12th grade who attend classes in person, fulltime on a degree track. Pace Academy shall provide the Association with a certificate of enrollment annually.
3. **Access from Rilman, Wood Valley, Gatewood and Asheworth Court.** There will be no new access of any kind (by deed or by easement) ("Access") from the Pace campus covered by the Master Campus Plan to or from Rilman Road, Asheworth Court, Gatewood Court or Wood Valley Road. All Access from the streets referenced above to the Pace campus in existence as of the date of this Agreement (for example, footpaths used by students residing in the neighborhood) is grandfathered.
4. **Transparency of Communications.** In order to facilitate transparency of communications between Pace and the Association, Pace Academy's Board of Trustees and the Association will establish a standing committee called the "Neighborhood Relations Committee". The members of such Committee who shall represent Pace will consist of the Chair of the Board of Trustees (who will be the co-chair of the committee), the Head of School, one additional trustee designated by the Chair of the Board of Trustees, and a Pace parent residing in either the Kingswood or the WP/NNA neighborhood designated by the Chair of the Board of Trustees. The representatives of the Association shall be the President of the WP/NNA and three additional representatives selected by the Association who reside on Rilman, Wood Valley, Asheworth Court or Gatewood Court, and who are not current or former Pace parents, graduates, employees, trustees, or otherwise affiliated with Pace. The committee shall also include one non-voting representative of the Kingswood neighborhood designated by the Kingswood Civic Association. The purpose of the committee will be to (i) address any issues arising pursuant to the Agreement as may be specifically set forth in the Agreement, (ii) maximize transparency of communications between the Association, Pace and the Kingswood neighborhood through regular quarterly open meetings, and (iii) monitor compliance by the Parties with the conditions set forth in the Agreement. The Neighborhood Relations Committee will receive annually from Pace, an in-person

affirmation of the terms of this Agreement. In addition, the Pace Board of Trustees, in a certificate signed by the Chair of the Board of Trustees and the Head of School, will annually affirm to the Kingswood and the WP/NNA Boards Pace's compliance with the terms of this Agreement and the various conditions contained in all then existing special use permits pertaining to the Property that are then in force from this and prior agreements, including the conditions of U-93-22. The Pace Board of Trustees will also affirm, as part of the certificate referenced above, Pace's compliance with each of such conditions including, without limitation, the limits on the number of students then enrolled. The foregoing certificate will be delivered on or before June 30th of each fiscal year for the term of this Agreement. The affirmative vote of six of the eight representatives of Pace and the Association serving on the Neighborhood Relations Committee shall be required for any action to be approved (an "Authorized Action").

5. Term of the Agreement. The term of this Agreement shall expire on the 20th anniversary of the date of this Agreement. Future modifications may be made only by mutual written consent of the Parties to this Agreement.

6. Acquisition of Additional Residential Property. Pace will not acquire any additional residential property for conversion to non-residential use by purchase, lease, usufruct, gift, devise, or other right of use, within one (1) mile of its existing West Paces Ferry campus.

7. Sidewalk. Pace will fund the cost of installing a sidewalk on the east side of Rilman Road from W. Paces Ferry Road to 3311 Rilman Road.

8. Traffic Light. Pace will use its best efforts to assist the WP/NNA to have the State of Georgia install a traffic light at the intersection of Rilman Road and Northside Parkway.

9. Football. Item 8 of the conditions of U-93-22, adopted October 4, 1993, shall be modified to allow for the practice of football by Pace students on the existing lower fields only (see Master Campus Plan attached as Exhibit B). Football practices shall be limited to Pace students only and shall not include teams from other schools. Usage restrictions shall be as set forth in U-93-22.

Phase I

1. Increase in Square Footage of Lower School. Subject to the completion of the required hydrology study and the resolution of all reasonable issues presented therein relating to existing conditions and the proposed lower school addition and subject to the completion of the required traffic study analyzing the effects of the increased enrollment and the resolution of all reasonable issues presented therein relating to the proposed lower school addition, Pace may increase the square footage of its lower school facilities by approximately 9,350 square feet to accommodate 60 additional students, as reflected on the Master Campus Plan to be attached as Exhibit B. Prior to finalizing the Special Use Permit filed by Pace with the City of Atlanta on July 10, 2007, Pace will deliver to the Association the completed hydrology and traffic studies and will arrange an

opportunity for the representatives of the Association who are then serving on the Neighborhood Relations Committee to meet with such consultants to review any issues identified by such consultants in such studies as well as the proposed resolution thereof. The determination of whether any issue is "reasonable" or whether the proposed resolution is sufficient shall be made by the affirmative vote required for Authorized Action by the Neighborhood Relations Committee. In the event the Neighborhood Relations Committee cannot so agree, then the dispute resolution provisions set forth in the Agreement may be invoked by any Party.

Phase II

I. West Pace Ferry Properties. Pace Academy may use the property at 854 West Paces Ferry Road for residential purposes consistent with its possible use as the residence of the Head of School containing up to 9,000 square feet of floor area. Subject to the completion of traffic and hydrology studies and resolution of all reasonable issues presented therein as contemplated by Phase I above, the property at 840 West Paces Ferry Road may be demolished and used for appropriately buffered and landscaped parking for up to thirty (30) parking spaces for automobiles, all in accordance with the Master Campus Plan attached as Exhibit B. Upon such change to the use of 840 West Paces Ferry Road, the existing driveway to this property from West Paces Ferry Road shall be closed, and thereafter access to this property shall be only through the property at 854 West Paces Ferry Road. At least thirty (30) days prior to submitting an application to the City of Atlanta or any department thereof for an amendment to Pace's Special Use Permit to include the properties at 840 and 854 West Paces Ferry Road, Pace will provide to the Association and to all neighbors owning property that is contiguous to such properties copies of Pace's proposed plans for such properties, and shall meet with the WP/NNA to review such proposed plans. Pace will make reasonable efforts to address any reasonable objections raised by any adjoining property owners regarding such plans. In addition, Pace will make reasonable efforts to address any "Qualified Objections" raised by the Association regarding such plans, which objections shall be raised within sixty (60) days after the initial meeting between the Association and Pace regarding such plans.

For purposes of this Paragraph 1, as well as for purposes of Paragraphs 2 and 4 below relating to the Phase II changes to Pace's campus. "Qualified Objections" shall be defined as objections based on the failure of Pace's plans to include satisfactory provisions and arrangements with regard to the following issues:

- (a) compliance and consistency with the other terms and conditions of this Agreement;
- (b) the impact of drainage, drainage facilities and structures, finished grades, retaining walls, massing, and fencing on the adjacent properties and the surrounding neighborhood;
- (c) ingress and egress to the Pace property and the proposed structures thereon, with particular reference to automotive and pedestrian safety and convenience, traffic flow and control, and access in case of fire or other catastrophe;

- (d) off street parking and loading areas, with particular attention to the items referenced in (c) above;
- (e) the location of refuse and service areas;
- (f) the adequacy of buffering or screening to alleviate such potentially adverse effects on the adjacent properties and the surrounding neighborhood as may be created by the visibility of the proposed improvements, noise, glare, odor, lighting, signs or traffic;
- (g) hours and manner of operations;
- (h) the length of time regarding the duration of any requested permit, if any;
- (i) tree preservation and replacement in accordance with the requirements of the City of Atlanta Tree Ordinance; and
- (j) required yards and open spaces.

The determination of whether any objection raised by the Association is a "Qualified Objection," and the resolution of any such Qualified Objection, shall be made by the affirmative vote required for Authorized Action by the Neighborhood Relations Committee. In the event the Neighborhood Relations Committee cannot resolve any such matter, then the dispute resolution provisions set forth in the Agreement may be invoked by either Party.

2. Parking Deck. Subject to the completion of traffic and hydrology studies and resolution of all reasonable issues presented therein, Pace may construct a parking deck located either on the site of the existing playground immediately adjacent to the Lower School or under the existing lower athletic fields. If such parking deck is constructed on the site of the existing playground, Pace may add a playground on the top of the deck as shown on the Master Campus Plan attached as Exhibit B with a height which will be no higher than at grade with the lowest level of the Lower School Building where the Pre-1st classrooms are located. The maximum footprint of any structure constructed on the site of the existing playground will be approximately 30,000 square feet per level with the southwestern wall being shielded to minimize the emission of light from the structure, by means such as a membrane or solid wall. At least thirty (30) days prior to submitting an application to the City of Atlanta or any department thereof for an amendment to its Special Use Permit to permit a parking deck at either of the locations described above, Pace will provide to the Association and to all neighbors owning property that is contiguous to the property upon which the proposed parking deck will be located copies of Pace's proposed plans for such parking deck, and shall meet with the WP/NNA to review such proposed plans. Pace will make reasonable efforts to address any reasonable objections raised by any adjoining property owners regarding such plans. In addition, Pace will make reasonable efforts to address any Qualified Objections raised by the Association regarding such plans, which objections shall be raised within sixty (60) days after the initial meeting between the Association and Pace regarding such plans. The determination of whether an objection raised by the Association is a Qualified Objection,

and the resolution of any such Qualified Objection, shall be made by the affirmative vote required for Authorized Action by the Neighborhood Relations Committee. In the event the Neighborhood Relations Committee cannot resolve any such matter, then the dispute resolution provisions set forth in the Agreement may be invoked by either Party.

3. Rilman Road Properties. Pace will retain the properties located at 3325 and 3311 Rilman Road which shall be used only for residential purposes and which properties shall forever retain their R-3 zoning designation for so long as the subject properties are owned by Pace. Pace will be permitted to relocate the rear property line of the subject properties closer to the houses as shown on the Master Campus Plan attached as Exhibit B. The subject properties will not be included in the Special Use Permit.

4. Rear Portions of Rilman and Wood Valley Properties. Subject to the completion of topographical and hydrology studies covering the entire West Paces Ferry campus and the resolution of all reasonable issues presented therein, Pace may construct a practice field as shown in the Master Campus Plan not to exceed 80 yds. by 50 yds., to be surrounded on all sides by an approximate five yard wide buffer area inside the fence, using the rear portions of properties which previously were a part of 3250, 3264 and 3272 Wood Valley Road and the rear portions of 3325 and 3311 Rilman Road. Pace will construct the field according to provisions in subparagraph 5 and other provisions contained in this Agreement. Pace will deliver to the Association the completed topographical and hydrology studies and will arrange an opportunity for the representatives of the Association who are then serving on the Neighborhood Relations Committee to meet with such consultants to review any issues identified by such consultants in such studies as well as the proposed resolution thereof. In addition, at least thirty (30) days prior to submitting an application to the City of Atlanta or any department thereof for an amendment to the Special Use Permit to permit the construction of such practice field, Pace will provide to the Association and to all neighbors owning property contiguous to such practice field copies of Pace's proposed plans for such practice field, and shall meet with the WP/NNA to review such proposed plans. Pace will make reasonable efforts to address any reasonable objections raised by any adjoining property owners regarding such plans. In addition, Pace will make reasonable efforts to address any Qualified Objections raised by the Association regarding such plans, which objections shall be raised within sixty (60) days after the initial meeting between the Association and Pace regarding such plans. The determination of whether an objection raised by the Association is a Qualified Objection, and the resolution of any such Qualified Objection, shall be made by the affirmative vote required for Authorized Action by the Neighborhood Relations Committee. In the event the Neighborhood Relations Committee cannot resolve such matter, then the dispute resolution provisions set forth in the Agreement may be invoked by either Party.

5. Further Restrictions For Field and Environs. The field will be located in a manner that will minimize visibility from and maximize the privacy of existing residences. During the construction of the field, Pace shall not utilize explosives or excavation or grading procedures that could potentially adversely affect nearby and adjacent properties. Pace may use the areas surrounding the field to add walking trails or cross country trails provided that in no event will such trails interfere with the buffers

which shall remain undisturbed as shown on the Master Campus Plan attached as Exhibit B and provided further that any such trails shall not be accessible to Rilman Road or Wood Valley Road. Pace will use its reasonable efforts to situate such trails in a way that will minimize any intrusion of the privacy of the contiguous neighbors. This rear, land-locked parcel of property will be included in the Special Use Permit. No access will be allowed to this property from Rilman or Wood Valley Roads. No structures of any kind will be built, assembled or placed on this property, including but not limited to classroom buildings, locker facilities, storage units, temporary toilets, tents, bleachers and cell towers. If the field is fenced, no windscreens will be placed on the fences. The following conditions of U-93-22 will apply to this field: # 2, 3, 6, 8, 9, 10, 11, 12, 13, 14, 15, and 16, provided that with respect to the subject field, condition #11 of U-93-22 will be interpreted as if the word "voice" was replaced with the word "sound."