

Memorandum of Understanding
Relating to the District on the Etowah development in the City of Canton, GA

This Memorandum of Understanding Relating to the District on the Etowah development in the City of Canton (this “MOU”) is entered into as of the ____ day of _____ 2024, by and among the Downtown Development Authority of Canton, Georgia (the “DDA”) and District on the Etowah Apartments, LLC or its affiliate (“TRG”). The DDA and TRG are collectively referred to herein as the “Parties.”

WHEREAS, the DDA has determined that redevelopment of the downtown area is in the collective best interest of its citizens; and

WHEREAS, the City of Canton, Georgia has determined that in order to cause the downtown redevelopment to be economically feasible, it will contribute certain tax allocation increment derived from a municipal tax allocation district to fund certain development costs, pursuant to a Development Agreement to be executed between the DDA and TRG (the “Development Agreement”) for the redevelopment of the downtown area, including but not limited to the city parcels as shown and numbered on **Exhibit A**, attached and incorporated herein (each a respective “City Parcel”), to a multi-use project containing residential, retail and public greenspace (the “Project”); and

WHEREAS the Parties have agreed that as the inducement for TRG entering into the Development Agreement and agreeing to, among other things, construct certain minimum improvements as required under the Development Agreement, the present value of the “tax allocation increment” to the Project must equal not less than Three Million and 00/100 Dollars (\$3,000,000.00) (“Contribution Dollars”). The Contribution Dollars will be allocated as a reimbursement over a period of ten (10) years or until such time that they have been fully funded. The project upon completion will pay their full tax bill, upon payment and within 60 days, the DDA will refund the project \$300,000 annually until the funds are repaid; and

WHEREAS the Parties have agreed that as a further inducement for TRG entering into the Development Agreement and agreeing to, among other things, construct certain minimum improvements as required under the Development Agreement, the project Building Fees will be reduced by 50%. Additionally, the Water and Wastewater Tap Fees will be reduced by 80%; and

WHEREAS, TRG has purchased the property located in The Mill on Etowah along Railroad Street in the City of Canton, as shown on **Exhibit B**, attached and incorporated herein, to develop as multi-family residential project; and

WHEREAS, the Parties have determined that for the Project to be successful the City agrees to proceed with additional improvements including a railroad bridge to access the TRG Development and allow downtown residents direct access to the Mill on Etowah development. TRG will provide a landing spot and access through the new development. The City is responsible for the design, cost, construction and installation of the railroad bridge; and

WHEREAS the Parties have agreed to enter into a series of conveyances and easements for the

development of the Project as determined by the final scope of work as outlined in the Development Agreement; and

WHEREAS the Parties agree that the terms of this MOU will be superseded by the Development Agreement; and

WHEREAS the Parties desire to enter into this MOU as a preliminary agreement and will more fully document their understanding and obligations relating to the Project by entering into a formal Development Agreement incorporating the terms herein and shall be for a minimum term of ten (10) years. The Development Agreement will be negotiated and executed no later than June 1, 2024.

NOW, THEREFORE, in consideration of the above and foregoing premises and the mutual covenants and agreements herein contained and for other good and valuable consideration, the Parties have agreed and do hereby agree as follows:

1. The DDA has selected TRG as the Developer, and TRG has agreed to accept the exclusive right to develop the Project in one or more phases, consistent with the terms and subject to the conditions contained herein while the period of this MOU remains in effect and/or until such time as either formalized by future agreements. So long as this MOU remains in effect, the Parties will not engage in discussions with any other party regarding the development of the Project, except as necessary to implement the terms hereof. The DDA and TRG agree to pursue in good faith, discussions and negotiations to draft and execute one or more future agreements as may be necessary to finalize their mutual understanding and define the final form of the Project and associated compensation terms. In so doing, the Parties acknowledge that the Project may be modified as a result of future discussions between the Parties and/or as a result of further negotiations, terms, and conditions that may be explored
2. TRG will proceed and finalize all permits required to start construction of the project by _____, 2024.
3. During the permitting, TRG will prepare the TAD application to submit to the applicable authorities. TRG shall prepare all documentation for the application to be presented to the DDA at a meeting date mutually agreed upon prior to June 1, 2024. The DDA agrees to support TRG's TAD application for the commitment of tax allocation increments to support the Project.
4. TRG will engage professionals, including but not limited to, architects, engineers, civil engineer, and landscape architect for the preparation of plans and other services necessary for the development of the Project.
5. TRG intends to develop the parcel into 280 multi-family units and coordinate with the City for pedestrian access to the Mill on the Etowah mixed use development.
6. The City will move forward on their proposed design of the railroad bridge to coincide with the schedule of construction for the Project.
7. As indicated in this MOU and the subsequent Development Agreement, TRG and the DDA agree to work together towards the common goal of the Project.
8. Parties to this MOU hereby represent and warrant that such Party has full power and authority

to enter into this MOU, to consummate the transactions that are contemplated hereby and that no approvals or signatures are required for such Party to be bound by this MOU and that neither entering into this MOU, nor the performance of that Party's obligations under this MOU, will violate the terms of any contract, agreement or instrument to which that Party is currently subject.

9. This MOU is the entire understanding between the Parties with respect to the subject matter hereof, superseding any other written or oral representations, statements or understandings. The Parties acknowledge that they may enter into further agreements to fully implement duties, obligations, and undertakings outlined herein.
10. This MOU shall be subject to and construed under the laws of the State of Georgia without reference to its choice of law rules. The Superior Court of Cherokee County, Georgia shall have exclusive jurisdiction to try any disputes arising under or by virtue of this MOU.
11. This MOU may be executed in one or more counterparts and all such executed counterparts taken together shall constitute the same agreement. This MOU may be delivered by DocuSign or e-mail shall be as binding upon such Party as if such Party had delivered a counterpart of this MOU with such party's original signature thereon.

**DOWNTOWN DEVELOPMENT
AUTHORITY OF CANTON, GEORGIA**

By: _____
Print Name: _____
Its: _____

**DISTRICT ON THE ETOWAH
APARTMENTS, LLC, a Georgia limited
liability company**

By: _____
Print Name: _____
Its: _____