



June 9, 2026

Chelsea A. Montgomery, Ed.S.
Senior Advisor to Operational Efficiency
Atlanta Public Schools
130 Trinity Ave, SW Atlanta, Georgia 30303

Dear Chelsea,

Below is Atlanta Track Club's proposal for the development of its new facility on Atlanta Public Schools property across the addresses of 701 Connally Street SE and 760 Martin Street SW. As discussed recently, Atlanta Track Club wishes to invest in this Olympic legacy site to further the health and wellness of Atlanta, deliver a best-in-class athletics amenity for Atlanta Public School student-athletes and provide to the residents of Summerhill a safe space to exercise, work and convene.

This non-binding proposal includes a contemplated 50-year ground lease. Atlanta Track Club will assume full responsibility for servicing this lease over the life of the Agreement. The lease terms are flexible and open to refinement, but we felt it was important to get an offer to you that can serve as a starting point for discussion and in anticipation of a definitive Agreement covering all details.

Please have Atlanta Public Schools sign and return a copy of this letter to indicate its understanding of the terms of this non-binding letter of intent.

Sincerely,

A handwritten signature in black ink, appearing to read "Rich Kenah", written in a cursive style.

Rich Kenah CEO

PROPOSED TERMS

ATLANTA INDEPENDENT SCHOOL SYSTEM D/B/A ATLANTA PUBLIC SCHOOLS (“APS”) COMMITMENT

50-year ground lease on land, with Atlanta Track Club right to occupy the land and improvements.

ATLANTA TRACK CLUB (“ATC”) COMMITMENT

Center Operations

- Atlanta Public Schools track and field, cross country, and running-related extracurricular programs (primary use), with other APS extracurricular programs accommodated as secondary use within categories and hours to be defined in the Lease, will have dedicated weekly hours at the Center (interior and exterior facilities) at no cost to the District, a standing commitment for the life of the partnership. The mechanism and timing for setting these weekly hours will be mutually agreed upon in a separate memorandum of understanding (“MOU”).
- Dedicated meeting and special event space for Atlanta Public Schools leadership, faculty, and the community at no cost, as mutually agreed upon.
- A STEM and financial wellness lab built into the Center’s design, serving APS student-athletes alongside their training.
- Dedicated weekly hours (evenings and weekends) for community members at City resident and non-resident -based Pricing for Center access and membership.
 - Resident of Atlanta: Charged the standard normal rate set by ATC for memberships and day passes
 - Non-resident of Atlanta: Charged the standard rate set by ATC for memberships and day passes. The applicable rate, scope, and verification mechanics for any non-resident pricing differential will be defined in the Lease. The Parties will also discuss whether APS-family-based preferential pricing may better serve the underlying intent.
- Access to health care services through a medical clinic /healthcare partnership inside the Center.
- Sublease within the Center, a running specialty retail space to a locally owned and operated business, subject to APS review and approval.
- At least 25% of Atlanta Track Club employee base (FTE, seasonal, interns, contract) at this site from City of Atlanta, especially Summerhill and surrounding neighborhoods, with programmatic emphasis on surrounding neighborhoods to be defined in the Lease.
- Launch sport specific job training programs for City of Atlanta residents.

Financials and Legal

- Negotiate and execute a mutually agreed and definitive 50-year ground lease agreement including the terms set forth in this letter of intent, along with other mutually agreed-upon lease provisions.
- ATC must demonstrate a pathway to at least \$65,000,000 in funding (exclusive of

- any debt related funding) within 12 months of the execution of an Agreement.
- ATC must provide quarterly fundraising updates to the Atlanta Public Schools until funds are raised to cover 100% of the cost of ATC's planned capital improvements to the premises as set forth on **Exhibit "A"** hereto (the "**Project**").
 - In no event shall APS have any obligation to refund or reimburse ATC for any funds expended or costs incurred by ATC on the Project in the event the Project does not proceed or the lease is terminated, except as set forth in the educational-purposes termination provision below.
 - ATC will be solely responsible for the cost of all maintenance, repair, replacements, landscaping (including tree care and removal as needed), insurance and utilities for the life of the lease.
 - Not part of the agreement: Need to be done as a condition to the commencement of the term of the lease, ATC shall have conducted community engagement with the neighborhood association and NPU.
 - ATC will pay any property or sales taxes or other items normally from which APS exempt arising out the proposed use of this property.
 - The lease shall contain the following milestones ("**Development Milestones**") to be met by ATC:
 - By 3 months after execution of the Lease, ATC must have submitted a concept plan and conceptual cost estimate for the Project to APS for review.
 - By 12 months after execution of the Lease, ATC must have (i) raised funds equal to 25% of the cost estimate for the Project, and (ii) submit to APS the construction documents at 80% completion stages and a revised, detailed cost estimate.
 - By 24 months after execution of the Lease, ATC must have raised funds equal to 100% of the revised cost estimate for the Project.
 - ATC shall use commercially reasonable efforts to obtain a land disturbance permit ("**LDP**") for the Project by the date that is 24 months after execution of the Lease, subject to Force Majeure (as defined below). The Parties acknowledge that issuance of the LDP is controlled by the City of Atlanta and is not within ATC's operational control. If the LDP is not issued by such date, APS may provide ATC with written notice of such failure, and ATC shall have a cure period of one hundred eighty (180) days from such notice to obtain issuance of the LDP. Subject to Force Majeure, if the LDP is not issued by the conclusion of such cure period, APS shall have the right to terminate the Lease upon written notice to ATC.
 - ATC shall use commercially reasonable efforts to achieve issuance of a certificate of occupancy ("**CO**") for the indoor track facility by the date that is 42 months after execution of the Lease, subject to Force Majeure. The Parties acknowledge that issuance of the CO is subject to City of Atlanta permitting and inspection processes outside ATC's operational

control. Subject to Force Majeure, if the CO is not issued by such date, APS may provide ATC with written notice of such failure, and ATC shall have a cure period of one hundred eighty (180) days from such notice to obtain issuance of the CO. If the CO is not issued by the conclusion of such cure period, APS shall have the right to terminate the Lease upon written notice to ATC.

- Either party shall be excused from performing an obligation or undertaking provided for in the Lease (other than the payment of money or obligation to provide insurance coverage) for so long as such performance is prevented, delayed or hindered by an Act of God, fire, flood, shortages of labor or materials, war, acts of terror, civil disturbances, pandemic, epidemic, quarantine, or any other cause whether similar or dissimilar to the foregoing, not within the reasonable control of such party (any of the foregoing, “**Force Majeure**”). The party seeking such excuse performance shall provide prompt written notice to the other party of the reason for the delay or nonperformance and, if known, the expected timeframe to recommence performance
- APS may terminate the Lease if ATC fails to meet the Development Milestones or breaches material provisions.
- APS shall have the right to terminate the Lease for educational purposes; provided that (i) APS shall not exercise such termination right at any time during the first one hundred twenty (120) months of the Lease (the “Lock-Out Period”); (ii) any termination of the Lease for educational purposes shall be effective only upon seven hundred thirty (730) days’ prior written notice to ATC, which notice may not be given prior to the expiration of the Lock-Out Period; and (iii) upon any such termination, APS shall pay to ATC the unamortized value of the Project as of the termination date, which calculation shall include all hard costs and all soft costs incurred prior to the certificate of occupancy date (including, without limitation, design fees, consultant fees, financing costs, and fundraising costs documented in ATC’s records). As used herein, “**educational purposes**” means a purpose directly related to the education of APS students. The Parties acknowledge that this structure is designed to protect both APS’s statutory rights as a public entity under O.C.G.A. § 20-2-520 and ATC’s capital investment over the early operating period of the Project.
- ATC must pay annual rent on March 30th of each lease year, for the premises. Such ground rent shall be paid by ATC to APS in accordance with the following structure:
 - (i) Fixed annual ground rent schedule:
 - Years 1–3 — no ground rent owed during site delivery and construction;
 - Years 4–5 — \$50,000 annually;
 - Years 6–10 — \$100,000 annually;
 - Years 11–15 — \$110,000 annually;
 - Years 16–20 — \$115,000 annually;
 - Years 21–25 — \$120,000 annually;

Years 26–30 — \$125,000 annually;
Years 31–35 — \$130,000 annually;
Years 36–40 — \$135,000 annually;
Years 41–45 — \$140,000 annually;
Years 46–50 — \$150,000 annually.

The schedule above shall apply as a floor in every year.

(ii) Net revenue premium in profitable years: In any lease year in which ATC is net revenue positive on a consolidated entity basis for the prior fiscal year, ATC shall pay APS, in addition to the scheduled ground rent for such lease year, an amount equal to ten percent (10%) of such net revenue. For purposes of this calculation, “net revenue” shall exclude all philanthropic and capital campaign contributions but shall include operating sponsorships. No cap shall apply to the premium.

(iii) Loss-year fixed rent reduction: In any lease year in which ATC is not net revenue positive on a consolidated entity basis for the prior fiscal year, the scheduled ground rent for such lease year shall be reduced by fifty percent (50%) during the first ten (10) years of the Lease and by twenty-five percent (25%) thereafter.

Permits, Approvals, and Construction of Tenant Improvements

- APS support for the Project is contingent on APS review of, and the right to provide comments and raise concerns regarding, costs, funding, insurance, bidding, engineering, architecture, and construction. ATC will submit all Project plans, specifications, and timelines to APS for review prior to beginning any construction.
- ATC is solely responsible for obtaining all necessary permits for the Project.
- APS understands it is ATC’s intent to obtain an abandonment of the public right-of-way of Ami Street running north-south through the site. Such abandonment shall not be a condition to ATC’s obligations under the lease. It shall be ATC’s sole responsibility to apply for and obtain such abandonment. However, APS agrees to cooperate in good faith with ATC’s efforts to obtain the abandonment, including APS review and execution of any necessary documents as owner of the land.
- Tree canopy and parking setback requirements to be defined further in the Lease.
- Events held by ATC at the premises must comply with all laws and permitting regulations, including for traffic and crowd control.
- ATC is responsible for ensuring all components of the Project are in compliance with relevant laws, codes, rules and regulations (including but not limited to zoning, permitting and building codes, ADA requirements and any requirements promulgated by the Georgia Department of Education for athletic/recreational facilities). APS makes no representation or warranty as to the current or required zoning, land use, status of title or other aspects of the site for the intended Project.
- To the extent that a rezoning, variance, or special use permit is required for the Project, ATC will be solely responsible for applying for and pursuing all necessary governmental approvals, provided that APS will cooperate in good faith with any such applications as the owner of the site, at no cost or expense to APS.

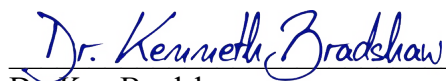
- APS may require either ATC or its general contractor to provide performance and payment bonds.
- ATC and its architect/engineer and general contractor must provide insurance in such amounts and on such terms to be specified in the lease.
- To the extent required by law, ATC agrees to procure general contractor services in compliance with the Georgia Public Works Construction Law, O.C.G.A. §§ 36-91-20 et seq., which applies to projects having a project cost in excess of \$250,000 regardless of the funding source. See O.C.G.A. §§ 36-91-22(a) and 20-2-520(a). APS agrees to post procurement solicitations on Georgia Procurement Registry on behalf of ATC, if requested, in support of this obligation.

Terms for Negotiation in MOU

- Separate and apart from the contemplated Lease, the parties contemplate that they will enter into an MOU outlining the programmatic terms of the relationship and the shared use of the facilities.
- While this is not intended to be an exhaustive list, the following terms would be part of the MOU:
 - Specific weekly hours commitments for APS use (indoor)
 - STEM lab access details, hours, and equipment scope
 - Outdoor track scheduling mechanism
 - Detailed APS championship and practice windows
 - Community benefit programming and metrics
 - Secondary use definitions (broadcast training, drone operation skills, lacrosse, ultimate frisbee, etc.)

Any definitive agreement (Lease and/or MOU) is expressly subject to approval by the Board of Education by public vote. This letter of intent is non-binding.

Atlanta Independent School System



Dr. Ken Bradshaw
Deputy Superintendent of Operations

Date: 7/30/2026

Approved as to Legal
Date: 6/10/2026
Atty: Emily H. Breece

