

MOONLIGHT BANDIT PRODUCTIONS, LLC
CITY OF ROANOKE RAPIDS, NORTH CAROLINA

B&C ROANOKE, LLC

and

ROANOKE RAPIDS ENTERTAINMENT ONE, LLC

ECONOMIC DEVELOPMENT AGREEMENT

ECONOMIC DEVELOPMENT AGREEMENT

THIS AGREEMENT (as supplemented or amended, the "*Agreement*") is hereby binding and effective this 30th day of June, 2005, by and among MOONLIGHT BANDIT PRODUCTIONS, LLC, a North Carolina limited liability company (the "*Company*"), THE CITY OF ROANOKE RAPIDS, a public body politic and a political subdivision of the State of North Carolina (the "*City*"), B&C ROANOKE, LLC, a North Carolina limited liability company (the "*Developer*") and ROANOKE RAPIDS ENTERTAINMENT ONE, LLC, a North Carolina limited liability company ("*Entertainment One*") (collectively, the "*Parties*").

RECITALS:

WHEREAS, the Parties desire to work together to develop, maintain and operate entertainment facilities in and around the City and Halifax County, North Carolina, such facilities to include music and entertainment theaters, restaurants, hotels, retail stores, etc. (the "*Project*").

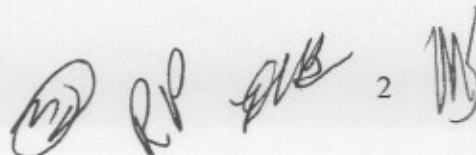
WHEREAS, Article 1 of Chapter 158 of the North Carolina General Statutes authorizes City to engage in the promotion of local development that will increase City's revenues, population, taxable property, employment rate, and business prospects.

WHEREAS, the City Council has reviewed economic development data and projections related to the Project, including, but not limited to, studies and other pertinent information provided by North Carolina's Northeast Partnership, Inc.; the City's staff review of the Project; and findings of an economic feasibility study conducted by the consulting firm, Economic Research Associates; and analysis by the consulting firm Blanchard & Calhoun Commercial Corporation, which provided information relating to development opportunities, job creation, appropriate investment levels, and construction cost.

WHEREAS, the City desires to create jobs, expand its tax base and enhance economic development opportunities throughout the surrounding area by participating in the Project, and the Company and the Developer desire to work with the City to develop a music and entertainment complex for the benefit of the City, Halifax County, North Carolina, and the surrounding area.

WHEREAS, the City is informed and believes that the Project will be an economic benefit for the area, and the Company desires to use its best efforts to make the Project a success.

WHEREAS, the City Council has determined that City's financial obligations set forth in this Agreement are reasonable and not excessive for the proposed purpose; furthermore, the Project's probable net revenue combined with the Project's positive impact on the City's tax revenue will be sufficient to meet the City's financial obligations set forth in this Agreement.

Handwritten signatures and initials at the bottom of the page. From left to right: a circled signature, the initials 'RP', a signature that appears to be 'EVB', the number '2', and another signature.

WHEREAS, the City has annexed 816 acres of land surrounding the proposed Project area, and has zoned the land and created an entertainment overlay district which will enhance the development of the Project.

WHEREAS, the Parties desire to enter into this Agreement to describe the respective duties and responsibilities of the Parties.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained in this Agreement, the Parties hereby agree as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

1.1 Definitions. For all purposes of this Agreement, unless the context requires otherwise, the following terms shall have the following meanings:

"Additional Land" shall have the definition set forth in Paragraph 2.1.2.

"Artist" shall mean Randy Parton and any other entertainer associated with the Company who shall perform music or entertainment at the Theater on a regular basis.

"Artist Fees" shall have the meaning set forth in Paragraph 3.1.

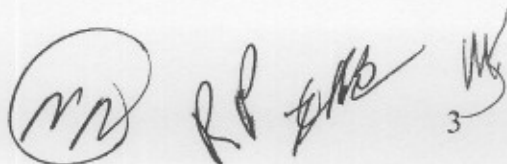
"Artist Intellectual Property" shall mean and include an Artist's image and likeness, compositions, arrangements, textual materials and any and all properties, currently owned or subsequently created by an Artist, subject to protection under the applicable copyright and trademark laws of the United States and the individual states.

"Business Day" means any day that is not a Saturday or a Sunday, or a day on which banks in the State are required by law to be closed.

"City Council" shall mean the duly elected body forming the city council for the City of Roanoke Rapids, North Carolina.

"Closing" shall mean the date at which the Developer conveys Land (or any portion thereof) to the Company or the date of reconveyance of Land (or any portion thereof) by the Company.

"Concessions" shall mean all sales and revenue derived from or related to Artist Intellectual Property and all revenue derived from the sale of food, drinks and Theater-related merchandise.



Handwritten signatures and initials at the bottom of the page, including a circled signature, the initials 'RP', and a signature with a circled '3' below it.

"Developer" shall mean B&C Roanoke, LLC, or its legal successors and/or assigns.

"District" shall mean the Music Theater & Entertainment District.

"Effective Date" shall mean the date when all Parties have signed this Agreement.

"Equity Fund" shall have the meaning set forth in Paragraph 2.2.6.2.

"Financial Feasibility" shall mean the time, determined in good faith in the Company's sole discretion, that both the Theater and District are generating, or determined that they will generate, sufficient revenue and income to expand the Project to include additional music and entertainment facilities. The City and Developer recognize and acknowledge the experience and expertise of the primary director and producer of the Company in assessing the long-term viability of the music and entertainment facilities (including the Theater and District) and, therefore, agree that such primary director and producer shall have the right and discretion to determine (either individually or in consultation with experts and advisors qualified to help in such determination) the Financial Feasibility of the Project.

"Fully Operational" shall mean the time when Theater construction is complete and it is ready for the performance of music and entertainment to the general public. The Developer is providing a turn-key facility, meaning the Theater shall be delivered by the Developer with all necessary and appropriate lighting, sound systems, stage rigging/layouts, backdrops, etc., customary and appropriate for music and entertainment theaters as contemplated by this Agreement.

"Good Faith Deposit" shall mean monies paid to the Company by Roanoke Rapids Entertainment One, LLC, in the amount of Five Hundred Thousand Dollars (\$500,000), one-half of which the Company acknowledges has been paid and the other half to be paid pursuant to the terms of this Agreement.

"Identified Encumbrances" means the encumbrances on the Theater and/or Land, easements of record and accrued but unpaid ad valorem taxes, as set forth in Exhibit A.

"Land" shall mean the Theater Land.

"Lease-Purchase Agreement" shall mean the Lease-Purchase Agreement described in Paragraph 2.2.3.

"LGC" shall mean the Local Government Commission of the North Carolina Department of the State Treasurer.

WJ

⁴ DMB

mi

RP

"Losses" shall mean the lost Operating Profits incurred by the Company resulting from delays in the opening or operation of the Theater. The amount of such Losses shall be mutually agreed upon by the Parties, and if they shall not agree, the Losses shall be determined in accordance with dispute resolution provisions set forth herein.

"Management Company" shall mean the Management Company described in Paragraph 2.2.5.1.

"Music Theater & Entertainment District" shall mean and include the Theater and associated adjoining development, such as restaurants, hotels, shopping outlets and other entertainment related enterprises, which the Parties anticipate may eventually encompass approximately 710 acres, which includes the Theater Land and Additional Land.

"Operating Profits" shall mean the net income resulting from Revenue less Artist Fees and Operating Costs.

"Operating Costs" shall mean all usual and customary operational and maintenance costs of the Theater, including, but not limited to, performers' fees, marketing, advertising, promotional material, production costs, rents, taxes, operating reserves, utilities, insurance (excluding premiums for life & disability insurance), landscaping, janitorial services, and other associated operational costs (excluding direct operating costs related to Concessions).

"Option to Purchase" shall mean the Company's right to purchase the Theater and Theater Land in accordance with the Option to Purchase Agreement substantially in the form of Exhibit E.

"Real Property Debt" shall mean any facility or debt instrument incurred in connection with or on behalf of the acquisition, construction or development of the Theater and the Theater Land, however secured, whether such debt is incurred by the Developer during the initial acquisition, construction or development of the Theater and the Theater Land, or incurred by the City resulting from its acquisition of the Theater and the Theater Land.

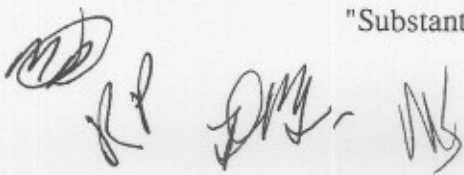
"Reserve Fund" shall have the meaning set forth in Paragraph 3.4.

"Revenue" shall mean all receipts derived from the operation of the Theater and Theater Land, but shall not include revenue from Concessions or Artist Intellectual Property.

"Shortfall" shall mean in any year any deficit that may exist in the Artist's Fee and/or Operating Costs after application of Revenues, amounts held in the Reserve Fund, plus amounts held in the Equity Fund.

"State" means the State of North Carolina.

"Substantially Complete" shall have the meaning set forth in Paragraph 2.2.4.1.

Handwritten initials and signatures, including a circled 'M', 'RP', 'DM', and 'NS'.

"Theater" shall have the meaning set forth in Paragraph 2.2.

"Theater Land" shall have the meaning set forth in Paragraph 2.1.1.

1.2 Rules of Construction. Unless the context otherwise indicates.

- (a) words importing the singular shall include the plural and vice versa, and words importing the masculine gender shall include the feminine and neuter genders as well;
- (b) all references to Articles, Sections or Exhibits are references to Articles, Sections and Exhibits of this Agreement;
- (c) all references to officers are references to officers and/or managers of the Company, City and Developer; and
- (d) the headings herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meanings, construction or effect.

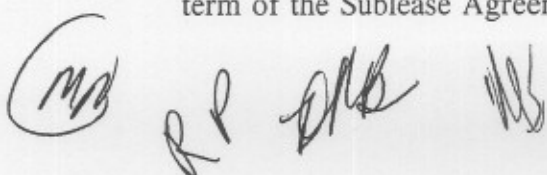
ARTICLE II

REAL PROPERTY INCENTIVES

2.1 Land. As a material inducement for the Company to enter into this Agreement, the Entertainment One shall provide land for the benefit of the Project as follows:

2.1.1 Theater Land. On or before September 30, 2005, Entertainment One shall convey to the Developer fifteen (15) acres, more or less, of undeveloped land (the "*Theater Land*"), which shall be leased by the Developer to the City under the terms of the Lease-Purchase Agreement (described in Paragraph 2.2.3) after the construction of the Theater thereon and which shall have the following qualifications and characteristics: The Theater shall front U.S. I-95 near the intersection of N.C Highway 125 on land that has recently been annexed into the City of Roanoke Rapids and properly zoned. The parties acknowledge that this land was recently zoned for commercial use, with an additional entertainment overlay district that will allow uses consistent with those contemplated by this Agreement. The land must have adequate ingress and egress when the theater is Fully Operational, pursuant to paragraph 2.2.1 (v), and must be technically sufficient (i.e. engineering, environmental, etc.) to be developed for the purposes set forth in this Agreement.

2.1.2 Additional Land. Entertainment One shall acquire and retain for the term of the Sublease Agreement, an additional fifteen (15) acres, more or less, of undeveloped

Handwritten initials and signatures in the bottom left corner, including a circled 'MD', 'RP', 'DMS', and another signature.

land (the "**Additional Land**") located within the Music Theater & Entertainment District, and shall hold title to such Additional Land until the Company provides written notice of Financial Feasibility during the term of the Sublease Agreement ("**Financial Feasibility Notice**"). Within ninety (90) days after the Company provides Financial Feasibility Notice, Entertainment One shall convey the Additional Land to the City, and the City will make the Additional Land available to the Company for total consideration of One Dollar (\$1) to the Company for the Company to develop a second theater on the Additional Land, to compliment the Music Theater and Entertainment District, which development shall include, but not be limited to, development of additional theaters and related infrastructure to complement the Music Theater & Entertainment District. The land must be suitable from a technical standpoint (i.e., engineering, environmental, etc.) to be developed for the purposes set forth in this Agreement, including adequate ingress and egress, and properly zoned to allow for activities associated with the Project. The land must be attractive for marketing and entertainment purposes as determined by the Company in its sole discretion. In the event the Additional Land is not developed by the Company within ten (10) years of its Closing, the Company, in Company's sole discretion, shall either (i) deed the Additional Land to the City by general warranty deed at a Closing within 10 days following the end of such 10 year period, conveying good, marketable, fee simple title to the Additional Land, free and clear of all liens and encumbrances (other than Identified Encumbrances set forth in Exhibit A), free of any uncured violation of any municipal, county, state or federal law, ordinance, regulation or code which would affect the Additional Land or any improvement thereon, and Company shall forever warrant and defend the title to the Additional Land (subject to the Identified Encumbrances) against the claims of all persons; or (ii) reimburse the City the amount paid by the City to Entertainment One to acquire the Additional Land. The Additional Land shall be conveyed to the Company subject to a reversionary interest as described in this Section, which shall be released upon the closing of a loan to the Company for development of the Additional Land and construction of the Theater thereon.

2.1.3 Land Description. As soon as reasonably practicable on or before September 30, 2005, the Developer shall provide to the City and the Company, and respective counsel, a description of the Theater Land, which description shall be attached as an Exhibit B to this Agreement.

2.1.4 Annexation and Zoning Limitations. The Company acknowledges and agrees that the City Council retains all power and discretion as to any required annexation or zoning of the Land. This Agreement does not in any way limit or otherwise curtail the City Council's authority over the zoning and/or annexation of the Land.

2.1.5 Terms of Conveyance. The Land or Additional Land conveyed to any Party, as required under terms of this Agreement or the Lease Agreement, shall be transferred at any Closing in fee simple, free and clear of any and all liens and encumbrances, subject to the terms of Section 2.1.3 as described above, and subject to Identified Encumbrances and any covenants and restrictions reasonably applicable to the development and construction, pursuant

to a special warranty deed (the "*Transfer Deed*"), which shall be in form and substance reasonably acceptable to the transferor and transferee.

2.2 Theater Facility. As a further material inducement for the Company to enter into this Agreement, the Developer will design, develop and construct a theater facility on the Theater Land (the "*Theater*"), and the City shall cooperate in the development and construction, pursuant to the following provisions:

2.2.1 Construction. The Developer, with the cooperation of the City and the Company, shall develop and construct the Theater on the Theater Land such that it is clearly visible from I-95, and in accordance with, but not limited to, the following:

- (i) The Developer shall prepare plans (the "*Plans*") for the construction of the Theater, which shall have a seating capacity of not more than fifteen hundred (1500). The City shall have the right to review such Plans; *provided, however*, the Parties acknowledge and agree that the Plans shall be subject to the mutual approval of the Developer and the Company subject to the cost limitations set out at the end of Section 2.2.1; *provided further*, if the Project is terminated prior to start of construction for reasons that are not the fault of the Developer, the City will reimburse the Developer for all of its costs associated with the formulation of the Plans or otherwise in preparation to construct the Theater, (including, but not limited to engineering fees, architects fees, financing costs, etc.);
- (ii) The Developer shall construct the Theater pursuant to the Plans and the Developer will provide a performance bond to insure the completion of the construction of the Theater. The City and the Company will cooperate with the Developer by giving approval of or otherwise responding within a reasonable time to all plans and specifications required to make the Theater Fully Operational. Except for governmental permits, it is agreed that any plans submitted by the Developer to the City and /or the Company for approval shall be deemed approved if no response is received in writing within ten (10) days after receipt. The Theater must be constructed consistent with industry standards as would be applicable to a professional performance venue. The target date for starting construction is November 30, 2005;
- (iii) The Developer shall provide for utility services to the Theater, including parking, lighting, electricity, natural gas, telecommunications and landscaping, all of which shall be included in the Plans;

MS

8
DPA

MD

RP

- (iv) Construction shall be completed and the Theater shall be Fully Operational on or before March 15, 2007. If not, the Developer will be assessed a penalty of \$2,000.00 per day until the Theater is Fully Operational. This penalty shall be applied to the Late Penalty under section 2.2.4.3, if a Late Penalty is assessed, and if a Late Penalty is not assessed, it shall be applied to the Equity Fund under section 2.2.6.2;
- (v) The City shall provide and /or facilitate the provision of public infrastructure to the site, including streets and access roads, and water and sewer services;
- (vi) The Developer shall ensure that the Plans, the Theater and all related development are prepared in accordance all applicable rules, regulations and requirements; and

The City and Developer acknowledge and agree that all qualifications and characteristics of the Theater shall be subject to the Company's approval, exercised in its sole discretion which shall not be unreasonably withheld or delayed. The Parties acknowledge that the actual costs of the Theater construction cannot be ascertained at this time, but agree that they will make reasonable efforts to keep the final cost within the estimates attached hereto as Exhibit G.

The City and Developer acknowledge and agree that the Developer's obligations under this agreement are subject to and contingent upon the Developer's ability to obtain a construction loan from a third party lender upon such terms as the Developer shall agree. The Developer will comply with the requirements of Article 8 of Chapter 143 of the North Carolina General Statutes, but only to the extent applicable, in arranging for the construction of the Theater. The City will seek an exemption from the requirements of Article 8, Chapter 143. However, if in the event an exemption cannot be obtained, or if the Developer is unable to obtain a construction loan, the City shall, if requested by the Developer, assume the responsibilities of the Developer as they specifically pertain to the actual construction of the Theater.

2.2.2 Financing. The Developer shall be responsible for securing and servicing the Real Property Debt required for financing the development and construction of the Theater and Theater Land. Neither the City nor the Company shall be responsible or liable for the financing, or any part thereof, associated with the construction of the Theater or the Land, nor shall the Company be required to guarantee or otherwise service Real Property Debt except to the extent such debt is serviced through the Lease-Purchase Agreement and Sublease; *provided, however,* the City and the Company shall have the right to receive all information (which shall be promptly delivered by the Developer upon request) related to any Real Property Debt, including, but not limited to, amortization schedules, lender information, interest rates, payment dates, etc. The Parties anticipate: (i) that the City shall make payments under the terms of the Lease; (ii) that Theater Revenues will be sufficient to satisfy Lease Payments and

MA R.P.G. WS

payments under the Sublease Agreement; and (iii) that local tax revenues generated within the Music Theater & Entertainment District will be sufficient to offset financing for the capital improvements necessary to serve the District.

2.2.3 Lease-Purchase Agreement. The Developer shall hold title to the Theater and Theater Land and shall lease the same to the City under the terms of a lease-purchase agreement, substantially in the form of Exhibit C (the "*Lease-Purchase Agreement*"). The Lease-Purchase Agreement shall provide that the Lessee shall have the right and obligation to sublease the Theater to the Company for the amount of One Dollar (\$1.00) per year (plus Rents, Supplemental Rents and other obligations as defined in Sublease Agreement) throughout the term of the Lease-Purchase Agreement, pursuant to the terms of a sublease agreement more particularly described in Exhibit D (the "*Sublease Agreement*"). Further, the Company shall have an option to purchase the Theater and Theater Land for One Dollar (\$1.00) pursuant to the terms of an option to purchase agreement more particularly described in Exhibit E (the "*Option to Purchase Agreement*").

2.2.4 Delay in Construction.

2.2.4.1 Not Substantially Complete. If by March 15, 2007, the Theater will not be Fully Operational by the end of the Grace Period (defined below), as determined by a qualified, third party familiar with construction similar to the Theater ("*Substantially Complete*"), the City shall be responsible for paying the Late Penalty (defined below), and the Company shall have the right, in its discretion, to immediately terminate this Agreement or renegotiate the terms hereof. The third party required to make the determination as to whether the Theater is Substantially Complete shall be mutually agreed upon by the Parties. In the event the Parties are not able to so agree, such third party shall be selected pursuant to the Dispute Resolution provisions of Paragraph 9.7.10.

2.2.4.2 Substantially Complete. In the event the Theater is Substantially Complete by March 15, 2007, but is not Fully Operational, then the City, shall be responsible for paying the Late Penalty (defined below), and Company shall grant the Developer and the City an additional one hundred twenty (120) days (the "*Grace Period*") to make the Theater Fully Operational. If the Theater is Fully Operational prior to the end of the Grace Period, the Company shall be reimbursed by the City, the actual expenses and Losses incurred by the Company during the Grace Period, and the remaining terms of this Agreement shall remain in full force and effect. If the Theater is not Fully Operational prior to the end of the Grace Period, the Company shall be reimbursed by the City, for the actual expenses and Losses incurred by the Company during the Grace Period, and the Company shall have the right, in its discretion, to re-negotiate the terms thereof. The Company agrees to mitigate any Losses by using its best efforts to proceed with performances during the Grace Period, using alternative venues located within or in close proximity to the District, including but not limited to, facilities at Halifax Community College or other venues as mutually agreed by the Parties.



2.2.4.3 Late Penalty. In the event the Theater is not constructed and Fully Operational by March 15, 2007, the City shall be responsible for paying to the Company a non-refundable payment in the amount of One Million Dollars (\$1,000,000) (a "**Late Penalty**"). In the event the Late Penalty shall become due, it shall be paid to the Company in one lump sum immediately upon written request of the Company. Notwithstanding the foregoing, the Late Penalty shall: (i) be considered an advance to be credited against any Artist Fee as described in Paragraph 3.1; (ii) not be paid if the Theater was not Fully Operational due to the material fault or material failure to act by the Company; and (iii) not be drawn from or otherwise reduce the amount held in the Reserve Fund, as described in Paragraph 3.4. In determining whether the Company caused a material delay in construction, the Parties shall use the Dispute Resolution procedures set forth in this Agreement.

2.2.5 Theater Operations.

2.2.5.1 Management. The Company shall be responsible for managing the Theater including the payment of all Operating Costs and obligations. The Parties acknowledge and agree that the Company shall have the right to contract with a private company (a "**Management Company**") to operate and maintain the Theater, including maintaining adequate insurance on the property. Entertainment One and the City shall have the right, to review any contract between the Company and the Management Company to determine if the terms of such contract are reasonable and within accepted industry norms. If either Entertainment One or the City shall question the reasonableness of such contract, the Company agrees to work in good faith to address any such concerns; *provided, however*, the Parties agree that the terms and conditions of the Management Company contract shall be subject to the sole and reasonable discretion of the Company, but nonetheless shall be in accordance with industry standards.

2.2.5.2 Satisfaction of Operating Costs. The Parties anticipate and agree that Operating Costs shall be satisfied from the following sources and in the following order: (1) Revenue from the Theater, (2) amounts held in the Reserve Fund, and (3) amounts held in the Equity Fund. If Revenue is insufficient to defray all Operating Costs, monies held in the Reserve Fund shall be used to satisfy the Shortfall. If Revenue is insufficient and the Reserve Fund is fully depleted, monies held in the Equity Fund shall be used to satisfy the Shortfall. If Revenue is insufficient and the Reserve Fund and the Equity Fund are fully depleted, the Company shall have the liability and responsibility to satisfy the Shortfalls. The Company agrees to act, operate and manage the Theater in good faith and in the most profitable manner.

2.2.5.3 Reports. The Company agrees, in its contract with the Management Company, to require from the Management Company annual audited financial statements, prepared by an independent, third-party accounting firm at the expense of the Management Company, and delivered within forty five (45) days of fiscal year end, as well as quarterly compiled financial statements, delivered within fifteen (15) days following the end of each quarter. All financial statements shall be prepared according to general accepted

Handwritten initials and signatures, including a circled 'M', 'R', 'D', and 'M'.

accounting principles. Such financial statements, both annual audited financial statements and **quarterly** compiled financial statements, shall be delivered simultaneously to Company, the Developer and the City. All financial information shall be considered Confidential Information and a 'trade secret', protected by the terms of this Agreement.

2.2.6 Profits from Theater.

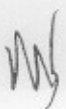
2.2.6.1 Priority of Payments. The Parties acknowledge and agree that Revenue from the Theater shall be disbursed in the following order:

- (i) Payment of \$750,000.00 toward the Artist Fee;
- (ii) Payment of Operating Costs as defined in Section 1.1;
- (iii) Payment of the balance of the Artist Fee (\$750,000.00); and
- (iv) Payment to the Equity Fund.

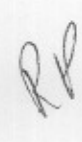
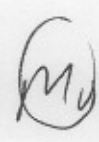
The Parties agree that Revenue shall be applied, each fiscal year of the Company and in all cases, in the order of priority listed above, until the Real Property Debt is paid in full; provided, that subject to Paragraph 2.2.6.2 below, payments on Real Property Debt shall be made to the fullest extent possible but not in any amount that would result in pre-payment penalties. After the Real Property Debt is paid in full, and notwithstanding whether or not the Lease and Sublease have been terminated, the Operating Profit shall be paid to the Company.

2.2.6.2 Establishment of Equity Fund. The Company and the City shall establish an equity fund (the "*Equity Fund*") pursuant to the terms of this Paragraph. In the event there are, in any Company fiscal year prior to payment in full of the Real Property Debt, Operating Profits, then the Company shall deposit into the Equity Fund the amount of such Operating Profits. Funds held in the Equity Fund shall be used to satisfy any payments required under Paragraph 2.2.6.1 and/or to satisfy any Shortfall. The Equity Fund shall be deposited with the holder of the deed of trust secured by the Theater Land, or such other party as shall be mutually agreed by the Company, the Developer and the City, as an escrow agent, to be applied first to any Shortfall and second on Real Property Debt so long as no prepayment penalties are incurred.

2.2.7 Development of Surrounding Property. The Parties acknowledge that the success of the Project will depend upon the existence of other facilities adjoining and complementing the Theater. To that end, the Developer and Entertainment One will use their best efforts to attract other facilities to the Project, such as restaurants, hotels, retail stores and other compatible entertainment facilities, with a goal of having 200,000 square feet of developed space ready to open the date the Theater is to be Fully Operational. This surrounding development shall not be materially inconsistent with the Site Plan for "Roanoke



12

Rapids Entertainment Park, Phase I", prepared by DesignWorks, LC, and dated March 9, 2005.

ARTICLE III

MONETARY CONSIDERATION

3.1 Artist Fee. During the term of the Sublease Agreement, and for so long as Randy Parton is the primary director and producer at the Theater, the Company shall receive an annual fee of One Million Five Hundred Thousand Dollars (\$1,500,000) (the "*Artist Fee*"), with the first payment beginning on the date when the Theater becomes Fully Operational, and subsequent Artist Fees paid annually each succeeding year for so long as the Theater shall remain operational, subject to the following terms and conditions:

(i) The Artist Fee shall be paid from Revenue of the Theater, and the Parties agree that the Artist Fee shall be paid in the order of priority set out in paragraph 2.2.6.1. If Revenue is insufficient to pay the Artist Fee, the Reserve Fund shall be used to satisfy payment. If Revenue is insufficient to pay the Artist Fee in full **and** the Reserve Fund has been fully depleted, the Equity Fund shall be used to satisfy payment. If Revenue is insufficient to pay the Artist Fee in full **and** the Reserve Fund and Equity Fund have been fully depleted, the Artist Fee shall not be paid in full, but only partially to the extent that Revenue may be available.

(ii) The Artist Fee shall be paid for so long as the Company subleases the Theater under the terms of the Sublease Agreement.

(iii) The Company shall set aside One Hundred Thousand Dollars (\$100,000) from the first five annual Artist Fee installments, and each annual \$100,000 installment shall be remitted by the Company to Entertainment One within ten (10) days of receipt of the Artist Fee as reimbursement of the Good Faith Deposit.

(iv) The Company shall have the exclusive right over all performances and talent performing at the Theater, including the right to substitute performers. The Company's exercise of such discretion over the performances and talent at the Theater shall not obviate or otherwise alter the right of the Company to receive annual Artist Fees as set forth herein.

3.2 Marketing. The Parties acknowledge and agree that the Company shall have full right and control over all marketing and advertising of the Theater. Money from the Revenues and Reserve Fund may be used for marketing and advertising campaigns.

3.3 Economic Grants. Upon termination of the Sublease Agreement, the City shall make and shall work in good faith with Halifax County to make economic incentive grants (the "*Grants*") for the benefit of the Company for a six-year period following the conveyance of the Theater and Theater Land to the Company. The amount of Grants shall be determined by the

WJ

13
DWS

MP

RP

actual investment in the Project, the City's current economic development incentive grant program ("Program") attached as Exhibit F, and then-current statutory authority. For example, based upon the Program, current statutory authority, and a \$5,000,000 investment, a Grant of approximately \$351,000 over a six-year period (approximately \$58,500 per year) would be generated. To the extent that the actual capital investment is more or less than the \$5,000,000 investment amount example above, the amount of the grants shall be adjusted an equal prorata amount based upon the actual tax value of the Theater and Theater Land at the time of the conveyance, as compared with the sample \$5,000,000 investment amount described above. In addition to facilitating Grants, the City shall assist and support North Carolina's Northeast Partnership, Inc. and any other organization in securing additional state incentives to further the creation and success of the Theater and District.

3.4 Reserve Fund.

3.4.1 Establishment. The City will provide for the establishment of a Reserve Fund in the amount of Three Million Dollars (\$3,000,000) (the "*Reserve Fund*"). The City is solely responsible for establishing this Reserve Fund within one-hundred eighty (180) days following the execution on this Agreement, and the Company is not in any way responsible for establishing this Reserve Fund or directly reimbursing any portion of it to the funding source. The Reserve Fund will be held by a tax-exempt entity for use as needed and necessary by the Company for promotion, development and operation of the Theater, and to defray upfront Operating Costs for the Theater until Revenue is sufficient to cover such Operating Costs. The Reserve Fund shall also be used to pay the Artist Fee if Revenue is insufficient to cover this obligation. The Parties acknowledge that the City's Real Property Debt shall include an amount sufficient to fund the Reserve Fund, even if the Reserve Fund is repaid under a separate debt obligation of the City. The City, or any other third party that has contributed to the Reserve Fund, shall be refunded any monies paid to establish the Reserve Fund at such time as draws on the Real Property Debt are available. The parties agree the Developer is not obligated to establish the Reserve Fund nor is the theater property to be encumbered by any debt incurred to fund the Reserve Fund so long as the Developer owns the property.

3.4.2 Draws. The Company will present periodically (as deemed appropriate by the Company) to the tax-exempt entity a budget, from which the Company will receive its draws from the Reserve Fund. Upon expiration of first draw monies, the Company shall submit documentation to the tax-exempt entity described in the preceding paragraph supporting expenditures of the first draw. Upon review of such expenditures, the Company shall submit a second budget for review by such tax-exempt entity under the same procedures as the first budget approval. This budget and review process shall continue until the Reserve Fund is fully expended. The City shall use its best efforts to ensure the Company timely receives its draws. The obligation of the Company to submit a budget is for informational, not approval, purposes only. Neither the City, nor the tax exempt entity shall have the right to approve or disapprove of such budgets, or otherwise influence or impede the Company's right to use up to the full amount of the Reserve Fund for the purpose of paying Operating Costs.

W

14
DMS

(M)

Rf

3.4.3 Repayment and Replenishment. The Reserve Fund is a one-time contribution for the benefit of the Project. Once established, no Party shall have the obligation to replenish the Reserve Fund.

3.5 Good Faith Deposit. Entertainment One shall pay to the Company the amount of Two Hundred Fifty Thousand Dollars (\$250,000) no sooner than ninety (90) days and no later than one hundred eighty (180) days after January 13, 2005, which together with the previous payment of \$250,000, which is hereby acknowledged by the Company, shall constitute the "Good Faith Deposit." The Good Faith Deposit shall be non-refundable and shall survive termination of this Agreement; provided, however, the Good Faith Deposit shall be repaid to Entertainment One over a five-year period from a reduction in Artist Fees, as set forth in Paragraph 3.1(iii).

ARTICLE IV

OTHER CONSIDERATION

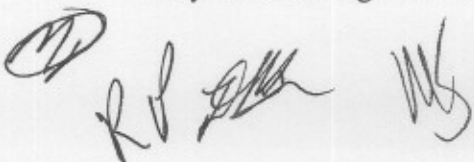
4.1 Halifax Community College. The City will work with Halifax Community College ("*HCC*") to facilitate the training and education of local citizens necessary for the operation of the Theater and the success of the Project. The City will endeavor to facilitate the creation of a music entertainment curriculum at HCC to create a model program for the music performer and production industry. The City shall also work with HCC to make available to the Company other venues such as The Center at Halifax Community College, as required by the Company for special shows, training or other needs.

4.2 Other Amenities

4.2.1 Home. The City (to the fullest extent permitted by law), shall facilitate, either directly or via a private donation, the availability of a fully-furnished home in the Roanoke Valley for a period of three (3) years from the Effective Date. The home shall be provided at no cost, and must be acceptable to the Company in its sole discretion. The City (to the fullest extent permitted by law) shall be responsible for all expenses associated with such home over the three-year period. The estimated value of this amenity is \$2,000 per month for 36 months, or a total of \$72,000.

4.2.2 Vehicle. The City (to the fullest extent permitted by law) shall facilitate, either directly or via a private donation, the availability of an automobile, reasonably acceptable to the Company in its sole discretion, for use in connection with the Project for a period of three years from the Effective Date. Such automobile shall carry comprehensive insurance paid by the City (to the fullest extent permitted by law) and the Developer.

4.2.3 Life Insurance. The Company will allow and will cooperate with the City in securing life and/or disability insurance on Randy Parton and performers regularly

Handwritten initials and signatures, including a circled 'CD' and several illegible signatures.

retained by or under contract with the Company, with the City and/or the Developer as beneficiary under the policies; *provided, however*, that the City (to the fullest extent permitted by law) shall be responsible for paying all premiums and expenses associated with such policies, which shall not constitute an Operating Cost or be charged as Additional Rent under the Lease and, *provided further*, that the entertainers so insured shall have complete control over any and all medical and financial information submitted or disseminated in connection with the issuance of such insurance policy or policies but will reasonably cooperate in providing information necessary to obtain such insurance. The decision to acquire insurance, and the amount of such insurance coverage shall be in the sole discretion of the City. Proceeds from the payment of disability or death benefits under the policies, if any, shall be paid in order of priority as follows: (1) to fully retire all Real Property Debt; (2) to the City to reimburse it for actual premiums payments paid pursuant to the terms of this Agreement, plus a statutory rate of interest on such premiums payments; (3) to the Company or the designees of Randy Parton (as provided in the policies). The Company shall use its best efforts to encourage regularly scheduled performers (other than Randy Parton) to cooperate with the City's efforts to obtain life insurance on such performers; provided, however, the Parties acknowledge and agree that the Company has no authority to compel such cooperation.

4.3 Intellectual Property Rights. Neither the City, the Developer nor Entertainment One shall have any rights granted under the terms of this Agreement or the attached exhibits to the use, exploitation, or control of any Artist Intellectual Property without the express, written authorization of the Artist or Artist's designated agent.

ARTICLE V

OBLIGATIONS OF COMPANY

5.1 Good Faith Efforts. The Company acknowledges that both the Developer and the City will seek financing in order meet either their current or future obligations under this agreement, and further acknowledges that its cooperation with both the City and the Developer is essential to the financing of the Project and its long-term success. Therefore, the Company shall use its best efforts to support the efforts of the City and the Developer, and the development and long-term success of the Project, which shall include but not be limited to the following activities:

- (i) Provide the City and Developer with any information necessary to secure financing, grants and other resources to support and develop the Project, including the approval and establishment of project development financing authorized by federal and state sources.
- (ii) At the Company's sole discretion, procure professional and nationally recognized music and other entertainment artists to bring their productions and talent to the District.

Handwritten signatures and initials, including a circled signature, 'RP', and other illegible marks.

(iii) Produce and present musical entertainment performances for a certain number of weeks per year based upon optimal ticket sales to generate maximum Revenue, upon which the economic feasibility study conducted by Economic Research Associates is based.

(iv) Enter into agreement(s) to provide for the production and presentation of music and entertainment performances located at the Theater.

(v) Enter into a Sublease Agreement with the City, a copy of the Sublease Agreement being attached hereto as Exhibit D. Although it may be executed at an earlier date, the Sublease Agreement will not be effective until the Theater is Fully Operational.

(vi) Cooperate with the Developer by giving approval of or otherwise responding to all plans submitted by the Developer within a reasonable period of time. It is agreed that any plans submitted by the Developer to the Company for approval shall be deemed approved if no response is received in writing within ten (10) days after submission.

ARTICLE VI

CONFIDENTIALITY AND LIMITATION PROVISIONS

6.1 Confidential Information Defined. The Parties acknowledge that, in the course of their business dealings, certain non-public and confidential information from or about each other, including but not limited to financial and business plans and models, names of customers or partners, proposed business deals, reports, or any other confidential and proprietary information may be revealed. All such financial or other business information is hereinafter called the "Information." The term "Information" as used herein also includes (i) the fact that the Information has been made available to or is being inspected or evaluated by each of the Parties, (ii) the fact that such discussions or negotiations are taking place concerning the consultation or other related transactions between the Parties, and (iii) any of the terms, conditions or other facts with respect to the consultation or other related transactions, including the status thereof. Any Information supplied prior to the execution of this Agreement shall be considered in the same manner and be subject to the same treatment as the Information made available after the execution of this Agreement.

6.2 Exclusions from Definition. The term "Information" as used herein does not include any data:

(a) which is now in or hereafter enters the public domain beyond the control of either party and without violation of this Agreement;

(b) which is known (as evidenced by documentation in receiving party's possession as of the date of this Agreement) by receiving party prior to the time of disclosure by disclosing party or independently developed by receiving party without access to information disclosed by the disclosing party;

Handwritten signatures and initials, including a circled 'M', 'RF', 'DK', and 'MS'.

(c) which is disclosed in good faith to receiving party by a third party legally entitled to disclose the same; or

(d) which is specifically released in writing by disclosing party.

Provided, however, that the burden shall be on receiving party to prove the applicability of one or more of the foregoing exceptions by documented evidence, should the disclosing party question the applicability of such exceptions. This section shall not, however, be construed to provide any presumption of responsibility for confidential information which may enter the public domain from other sources by unknown means, nor to require any burden of proof that any Party did not cause such an event.

6.3 Non-disclosure Obligation. Receiving party shall keep such Information confidential and shall not disclose such Information, in whole or in part, to any person other than its associates, employees, legal counsel, financial advisors or other who need to know such Information in connection with the consultation (it being agreed and understood that such associates or employees shall be informed by the relevant party of the confidential nature of the Information and shall be directed by them to treat the Information confidentially), except with the prior written consent of disclosing party, or as otherwise permitted hereunder. The Information shall be used by the receiving party solely in connection with the consultation, and shall not be otherwise used for its own benefit or for any purpose detrimental to the interests of the disclosing party.

6.4 Confidentiality of this Agreement. The Parties affirm and agree that (i) this Agreement is confidential to the extent permitted by law, (ii) this Agreement contains information subject to non-disclosure provisions of this Article VI, (iii) the terms, provisions and conditions of this Agreement cover the proposed expansion or location of specific business projects, and (iv) any disclosure of this Agreement not in accordance with this Article VI would frustrate the purpose for which this Agreement was created.

6.5 Information Provided by City. City shall maintain the confidentiality of Information provided by the Company, Entertainment One, or the Developer to the extent permitted by law. Entertainment One, the Developer and Company shall be solely responsible for notifying City of the confidential nature of the Information by marking the Information as "confidential" or as a "trade secret" at the time of its initial disclosure to City, and City shall not be liable for the disclosure of any Information not so marked. If City is challenged in court over the disclosure of Information, or the City Council decides by resolution that it is legally obligated to disclose any Information, City shall provide Company, Entertainment One and Developer notice of such disclosure as soon as practicable. Thereafter, City shall not be liable for any disclosure of Information made pursuant to court order or City Council resolution.

6.6 Return of Information. All Information which is disclosed to one or more of the Parties shall be returned to the disclosing party (along with all copies of such Information

Handwritten signatures and initials, including a circled 'M', 'RP', 'DAB', and 'MS'.

within 30 days of receipt by the receiving party of a written request from the disclosing party setting forth the Information to be returned, or the receiving party shall certify in writing to the disclosing party that the Information has been destroyed. In the event Information cannot be returned by a receiving party, such Information shall continue to be subject to the confidentiality obligations of this Agreement.

6.7 Remedies for Breach. The Parties understand and agree that money damages may not be a sufficient remedy for any breach of these provisions, and an aggrieved party shall be entitled to seek injunctive or other equitable relief to remedy or forestall any such breach or threatened breach. Such remedy shall not be deemed to be the exclusive remedy for any breach of this Agreement but shall be in addition to all other rights and remedies available at law or in equity.

ARTICLE VII

NONCOMPETITION

(Intentionally deleted)

ARTICLE VIII

REPRESENTATIONS AND WARRANTIES

8.1 By Developer. The Developer represents and warrants to the Company as follows, which representations and warranties shall survive until Closing and/or through termination of this Agreement, as applicable:

8.1.1 At any Closing, the Developer, subject to and following Entertainment One conveying the Land to Developer, will be seized of and have the right to convey the Land in fee simple, that the Land shall be free and clear of all liens and encumbrances (other than Identified Encumbrances), that title to the Land shall be marketable, and that the Developer will forever warrant and defend title to the Land (subject to the Identified Encumbrances) against the claims of all persons claiming by through or under it (i.e., by special warranty deed).

8.1.2 The Developer has received no written notice of, nor does it have any actual knowledge of any uncured violation of any municipal, county, state or federal law, ordinance, regulation or code which would affect the Land or any improvement thereon. If the Developer is notified of any such violation subsequent to the date hereof, the Developer will notify Company, and Developer may, in its sole discretion, elect to remove this violation at its sole cost and expense, or if Developer should elect not to remove this violation, the Company may: (i) elect to close the transaction contemplated hereby with knowledge of the violation; or (ii) elect to terminate this Agreement.

Handwritten initials and signatures at the bottom left of the page, including a circled 'M', 'RP', and other illegible marks.

8.1.3 Developer has received no notice of any actions, suits, litigation proceedings or investigations pending and, to the Developer's knowledge, there are none threatened against or affecting the Project, or Developer, and the Developer knows of no pending or threatened condemnation proceedings which would affect the Project or the legality, validity or propriety of the transactions contemplated by this Agreement.

8.1.4 Developer has no actual knowledge of any claims or actions threatened or pending, which can or may result or ripen into liens by statute or rule of law.

8.1.5 Developer has all necessary power and authority to enter into this Agreement and to carry out the transactions contemplated by this Agreement.

8.1.6 Developer has no knowledge of the Land being the subject of any outstanding agreements with any party other than the Developer, pursuant to which any such party may acquire any interest in the Land.

8.1.7 Developer has no knowledge of any assessments that have been made against the Land which are unpaid (except ad valorem taxes for the current year), whether or not they have become liens.

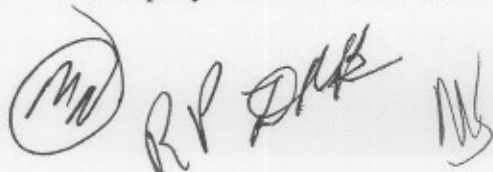
8.1.8 Developer has no knowledge of any disputes concerning the boundaries of the Property or concerning the location of such Property lines and corners.

8.1.9 To the best knowledge of the Developer, the execution of this Agreement and the consummation of the transactions described in this Agreement will not violate any contract, order, indenture or agreement by which the Developer is bound.

8.2 By City. The City is a body corporate and politic and a political subdivision of the state of North Carolina, which has been duly authorized to execute this Agreement and perform its obligations hereunder.

8.3 By Company. The Company represents and warrants to the City and the Developer as follows, which representations and warranties shall survive termination of this Agreement:

8.3.1 The Company is a limited liability company duly organized, validly existing and in good standing under the laws of the State of North Carolina. All corporate proceedings required to be taken by Company to authorize the execution and delivery of this Agreement to which it is a party, and the performance of Company's obligations hereunder and thereunder have been duly and validly taken, and this Agreement to which Company is a party constitutes the legal, valid and binding obligation of Company, enforceable against it in accordance with their respective terms. The execution, delivery and performance of this Agreement by Company and the consummation of the transactions contemplated thereby do not and will

Handwritten initials and signatures in the bottom left corner, including a circled 'M', 'RP', 'DAB', and another signature.

not conflict with, violate or result in the breach of any of the terms or conditions of, or constitute a default under, the corporation documents of Company, or any contract, agreement, commitment, indenture, mortgage, pledge, note, bond, license, permit or other instrument or obligation to which Company is a party or by which Company or its assets may be bound or affected, or any law, regulation, ordinance or decree to which the Company is subject.

8.3.2 No permit, consent, approval or authorization of, or designation, declaration or filing with, any governmental authority or any other person or entity on the part of Company is required in connection with the execution or delivery by Company of this Agreement or the consummation of the transactions contemplated by this Agreement, except where the failure to obtain such consent would not have a material adverse effect on the properties, assets or business of Company.

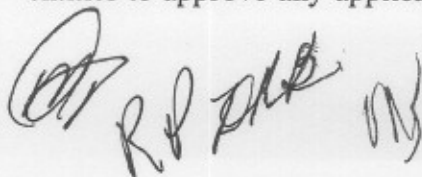
8.3.3 The Company has not received any notice of any actions, suits, litigation proceedings or investigations pending and, to the Company's knowledge, there are none threatened against or affecting the ability of Company to perform fully all of the duties and obligations created by this Agreement. The Company is not party to any contract or agreement, or are otherwise subject to any duties or obligations, which would interfere with or prevent it from performing or fulfilling all of the obligations described by and contemplated in this Agreement.

ARTICLE IX

GENERAL CONTRACT PROVISIONS

9.1 **Indemnification.** The Developer hereby agrees to indemnify, protect and save the City and the Company, their officers, directors and employees, harmless from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including reasonable attorneys' fees, arising out of, connected with, or resulting directly or indirectly from construction and development of the Theater. The indemnification arising under this Article shall survive the Agreement's termination. The indemnification does not apply to liabilities or damages incurred by the City or Company due to their default under the Economic Development Agreement, the Lease-Purchase Agreement or any other agreement attached hereto.

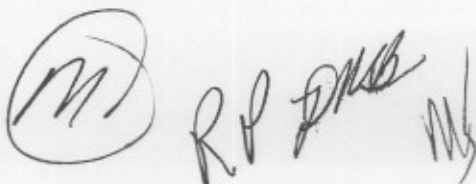
9.2 **Limitation on Assistance.** As set forth in this Agreement, the City will use its best efforts to assist the Company in making the Project a long-term success. Such assistance shall include various matters relating to incentives for and permits needed by the Project. The Company understands and agrees that, for obligations which the City has no contractual privity or authority, such assistance will be in the nature of encouraging and influencing various entities as to the merits of the Project. The Company further acknowledges and agrees that neither the City nor its employees or representatives have any authority or ability to direct other entities to approve any applications or requests in connection with the Project. Notwithstanding

Handwritten signatures and initials in black ink, including what appears to be a large signature on the left and several initials or smaller signatures to its right.

anything to the contrary in this Agreement, no provision of this Agreement shall be construed or interpreted as creating a pledge of the faith and credit of City within the meaning of any constitutional or statutory debt limitation. No provision of this Agreement shall be construed or interpreted as creating a delegation of governmental powers nor as a donation by or a lending of the City's credit within the meaning of the constitution or statutes of the State of North Carolina. This Agreement shall not directly, indirectly, or contingently obligate City to make any payments beyond those appropriated in the sole discretion of the City Council for any fiscal year in which the Agreement is in effect; provided, however, any failure or refusal by City to appropriate funds, which results in City's failure to make any payment coming due pursuant to this Agreement, will in no way excuse City from termination of this Agreement for default resulting from such nonpayment. No deficiency judgment may be sought by any Party to this Agreement or rendered against City in any action for breach of a contractual obligation under this Agreement. The taxing power of City is not and may not be pledged directly, indirectly, or contingently to secure any monies under this Agreement or any related agreement, contract, or understanding.

9.3 Disclaimer of Warranties. The City and the Developer acknowledge and agree that the Company has provided substantial input into the design of the Theater but, that the Company has not supplied any engineering plans or technical specifications with respect thereto and that the Company: (a) has not made any recommendation, given any advice nor taken any other action with respect to (1) the choice of any supplier, vendor or designer of, or any other contractor with respect to, the Theater or any component part thereof or any property or rights relating thereto, or (2) any action taken or to be taken with respect to the construction of the Theater; (b) has not at any time had physical possession of the Theater or any component part thereof or made any inspection thereof or any property or rights relating thereto; and (c) has not made any warranty or other representation, express or implied, that the Theater or any component part thereof or any property or rights relating thereto (1) will not result in or cause injury or damage to persons or property, (2) has been or will be properly designed, or will accomplish the results which the Company intends therefor, or (3) is safe in any manner or respect.

THE COMPANY MAKES NO EXPRESS OR IMPLIED WARRANTY OR REPRESENTATION OF ANY KIND WHATSOEVER WITH RESPECT TO THE THEATER OR THE PROJECT OR ANY COMPONENT PART THEREOF, INCLUDING BUT NOT LIMITED TO ANY WARRANTY OR REPRESENTATION WITH RESPECT TO THE MERCHANTABILITY OR THE FITNESS OR SUITABILITY THEREOF FOR ANY PURPOSE, AND FURTHER INCLUDING THE DESIGN OR CONDITION THEREOF; THE SAFETY, WORKMANSHIP, QUALITY OR CAPACITY THEREOF; COMPLIANCE THEREOF WITH THE REQUIREMENTS OF ANY LAW, RULE, SPECIFICATION OR CONTRACT PERTAINING THERETO; ANY LATENT DEFECT; THE THEATER'S ABILITY TO PERFORM ANY FUNCTION; OR ANY OTHER CHARACTERISTIC OF THE THEATER, INCLUDING ITS FINANCIAL SUCCESS.

Handwritten signatures and initials in black ink. On the left, a large circle containing the letter 'M'. To its right, the initials 'R.P.' followed by a signature that appears to be 'DMS'. Further right is another signature that appears to be 'MS'.

The provisions of this Paragraph shall survive the Agreement's termination.

9.4 Termination. The Agreement may be terminated upon the occurrence of any of the following events:

9.4.1 Mutual written agreement of the Parties;

9.4.2 If Randy Parton shall die or become disabled as said disability is defined under the disability insurance policy, this Agreement shall terminate, but only in the event the Company ceases operations at the Theater as a result of such death or disability;

9.4.3 If the Parties fail to reach agreement on the following ancillary documents:

- (a) Lease-Purchase Agreement;
- (b) Sublease;
- (c) Option to Purchase Agreement;

9.4.4 Upon termination of the Sublease Agreement.

9.4.5 If the Theater Land is not acquired by September 30, 2005, or if the Theater Land is not property zoned by applicable governmental authorities within sixty (60) days of the Effective Date, the Company shall have the right to immediately terminate this Agreement.

9.4.6 Following the first thirty-six (36) months after the date the Theater is Fully Operational, if Revenues are insufficient at the end of any fiscal year to cover the Artist Fee, Real Property Debt and/or Operating Costs, any Party shall have the right to terminate this Agreement upon ninety (90) days written notice to the other Parties.

9.4.7 The events set forth in Paragraph 2.2.4 related to a delay in construction of the Theater.

In the event this Agreement is terminated for any reason listed in Paragraph 9.4 above, none of the Parties shall thereafter have any further duties or obligations arising under this Agreement (including Article VII), the Lease-Purchase Agreement, or the Sublease Agreement, except those that may arise out of the Parties' actions prior to such termination, or those which specifically survive termination, provided, that such termination shall not effect the validity of the Lease-Purchase Agreement or the City's obligations thereunder.

Handwritten initials and signatures, including a circled 'MP' and 'RP' followed by several scribbled signatures.

9.5 Force Majeure. Notwithstanding anything herein to the contrary, if the City and/or Developer shall be prevented or delayed from fulfilling, or continuing to fulfill, herein, its obligations under this Agreement due to:

- (a) Government moratorium;
- (b) The inability to obtain or delay in obtaining any governmental or quasi-governmental approvals, permits or certificates, despite reasonable efforts by the City and/or Developer to obtain same;
- (c) Enemy or hostile governmental action;
- (d) Act of God, including but not limited to hurricane, tornado, snowstorm, windstorm, earthquake or flood, fire or other extreme weather conditions or other casualty;
- (e) Any other event, other than normal business exigencies, which is beyond the reasonable control of the City or the Developer;
- (f) The material fault of the Company as set forth in Paragraph 2.2.4.3;
- (g) Unavailability of or delays in obtaining materials or services, which unavailability or delays are beyond the reasonable control of the City or Developer;

then the Parties shall negotiate in good faith to make an equitable reduction in the City's and the Developer's obligations hereunder. However, if the parties cannot in good faith reach an agreement as to such adjustment, all parties agree to submit this issue to dispute resolution procedures set forth herein.

9.6 Assignments. No Party shall sell or assign any interest in or obligation under this Agreement without the prior express written consent of all the Parties.

9.7 Miscellaneous

9.7.1 Governing Law. The parties intend that this Agreement shall be governed by the law of the State of North Carolina.

9.7.2 Notices.

(a) Any communication required or permitted by this Agreement must be in writing except as expressly provided otherwise in this Agreement

Handwritten signatures and initials in black ink, including a large circular mark and several overlapping signatures.

(b) Any communication shall be sufficiently given and deemed given when delivered by hand or five days after being mailed by first-class mail, postage prepaid, and addressed as follows:

- (1) If to the Company, to Sanford Holshouser LLP, P.O. Box 2447, Raleigh, North Carolina 27602, ATTN: Ernest Pearson;
- (2) If to the City, to 1040 Roanoke Avenue, P.O. Box 38, Roanoke Rapids, North Carolina 27870, ATTN: City Manager;

with a copy to: Rollins and Rollins, Attorneys, P. O. Box 898, Roanoke Rapids, North Carolina, 28987, ATTN: M. Glynn Rollins, Jr., City Attorney

- (3) If to the Developer, to Blanchard & Calhoun Commercial, 2743 Perimeter Parkway, Building 100, Suite 370 Augusta GA, 30909, ATTN: Mark Senn
- (4) If to Entertainment One, to E. Michael Dunlow, Mitchell Street, Roanoke Rapids, North Carolina, 27870, with copy to William O. White, Jr., James, Wellman & White, P.O. Box 2018, Roanoke Rapids, North Carolina, 27870

(c) Any addressee may designate additional or different addresses for communications by notice given under this Section to each of the other Parties.

9.7.3 Non-Business Days. If the date for making any payment or the last day for performance of any act or the exercising of any right shall not be a Business Day, such payment shall be made or act performed or right exercised on the next succeeding Business Day.

9.7.4 Severability. If any provision of this Agreement shall be determined to be unenforceable, that shall not affect any other provision of this Agreement.

9.7.5 Entire Agreement; Amendments. This Agreement, including all Exhibits that are incorporated herein and made a part hereof, constitute the entire contract between the parties, and this Agreement shall not be changed except in writing signed by all the parties.

9.7.6 Binding Effect. Subject to the specific provisions of this Agreement, this Agreement shall be binding upon and inure to the benefit of and be enforceable by the Parties and their respective successors and assigns.

9.7.7 Time. Time is of the essence in this Agreement and each and all of its provisions.



9.7.8 Liability of Officers and Agents. No officer, agent, manager or employee of the City, the Developer, or the Company shall be subject to any personal liability or accountability be reason of the execution of this Agreement or any other documents related to the transactions contemplated hereby, except as otherwise specifically provided in this Agreement. Such officers, agents, or employees shall be deemed to execute such documents in their official capacities only, and not in their individual capacities. This Section shall not relieve any such officer, agent or employee from the performance of any official duty provided by law.

9.7.9 Counterparts. This Agreement may be executed in several counterparts, including separate counterparts. Each shall be an original, but all of them together constitute the same instrument.

9.7.10 Dispute Resolution. In the event of a dispute or disagreement with respect to any matter arising under this Agreement, such dispute or disagreement shall be referred to arbitration, and the decision resulting from the arbitration shall be binding upon all the Parties to this Agreement without further action or recourse.

In the event written notice of a dispute or disagreement is given to each of the other Parties by a Party hereto pursuant to this section, the Parties shall attempt to agree upon an arbitrator within fifteen days following the date of such notice.

In the event the Parties fail to agree in writing upon a single arbitrator within fifteen days following the date of notice invoking the Dispute Resolution procedure, then any dispute or disagreement shall be resolved by an arbitration committee comprised of three persons, each of whom shall be an attorney or certified public accountant (the "Arbitration Committee"). The Party invoking the Dispute Resolution procedure shall name one person to serve on the Arbitration Committee and the remaining Parties shall select one person to serve on the Arbitration Committee. The two persons so chosen to serve on the arbitration committee shall choose a third member of the Arbitration Committee. The majority decision of the committee members shall be the decision of the Arbitration Committee.


In the event that the members of the Arbitration Committee are not chosen within thirty days from the date a Party hereto gives notice of a demand for dispute resolution as described in this section, any Party hereto thereafter shall have the right to apply to an appropriate court for appointment by the court pursuant to North Carolina General Statute § 1-567.4 to the Arbitration Committee of three qualified and disinterested arbitrators.

To assist the Arbitration Committee in its function as arbitrator, the Arbitration Committee may employ a certified public accountant, a consultant, and any other person(s) who may be of assistance to the Arbitration Committee on any matter before the Arbitration Committee. The expenses of the Arbitration Committee, including those of persons employed to be of assistance to the Arbitration Committee, shall be borne by the Parties in the proportions determined by the

Handwritten signatures and initials, including a circled 'M', 'R.P.', and 'NS'.

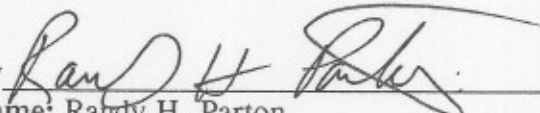
Arbitration Committee. Except as herein provided, the provisions of Article 45A of Chapter 1 of the North Carolina General Statutes will apply in Dispute Resolution proceedings.

[Signature Pages Follow]


 RP ~~2/15~~ 10/3

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their corporate names by their duly authorized officers, all as of the date first above written.

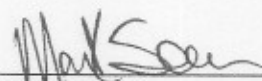
MOONLIGHT BANDIT PRODUCTIONS, LLC

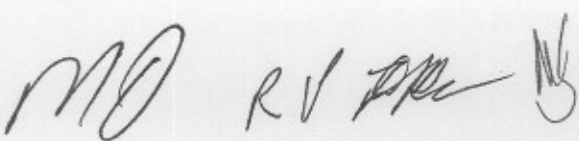
By 
Name: Randy H. Parton
Title: Member/Manager

ROANOKE RAPIDS ENTERTAINMENT ONE, LLC

By 
Name: E. Michael Dunlow
Title: Managing Member

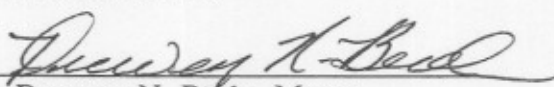
B & C ROANOKE, L.L.C.,

By: 
Name: Mark Senn
Title:

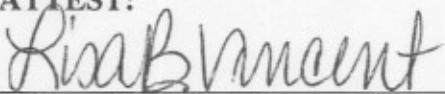


[SEAL]

CITY OF ROANOKE RAPIDS,
NORTH CAROLINA

By 
Drewery N. Beale, Mayor

ATTEST:


Lisa B. Vincent, City Clerk

This instrument has been preaudited
in the manner required by The Local
Government Budget and Fiscal Control Act

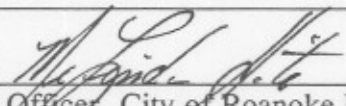
Name: 
Finance Officer, City of Roanoke Rapids
North Carolina



EXHIBIT A

IDENTIFIED ENCUMBRANCES

- 1) Easements of Record
- 2) Accrued, But Unpaid Ad Valorem Taxes

WJ ³⁰ *DRA*

(mj)

RP

EXHIBIT B

DESCRIPTION OF THEATER LAND

That certain tract or parcel of land lying and being situate in the City of Roanoke Rapids, Weldon Township, Halifax County, North Carolina, located at or near the intersection of the eastern boundary of the right of way for Interstate Highway 95, and the northern boundary of the right of way for N. C. Highway 125, to contain 15 acres, more or less, with the exact acreage, boundaries and location of the property to be determined by mutual agreement of the Parties to this Economic Development Agreement at a later time, but nonetheless to be located in the general area shown on that certain plan of "Roanoke Rapids Entertainment Park" dated March 9, 2005, done by DesignWorks, LC, a copy of which has been received by each of the Parties. The Parties agree that this Exhibit shall be amended at such time as a legal description with the exact acreage and boundaries have been determined and agreed to.

MS

31
DWB

(M)

RP

LEGAL DESCRIPTION FOR THE RANDY PARTON THEATER SITE

That certain tract or parcel of land lying and being situate in the City of Roanoke Rapids, Weldon Township, Halifax County, North Carolina, being more particularly described as follows: beginning at a point located on the northeastern edge of the right of way for N. C. Hwy. 125 which is common with the southwest corner of property now or formerly owned by Thomas Earl Ferguson (Ref. Deed Book 1182, Page 103, and Lot 14, P.B. 10, Pg. 33, Halifax Public Registry), thence from said beginning point the following courses and distances: along the northeastern edge of the right of way for N. C. Hwy. 125 a curve having a chord direction of N 38-58-41 W. and a chord length of 451.71 feet, with a radius of 3134.96 feet for a distance (arc length) of 452.11 feet to a point; thence turning N. 46-36-19 E. 20.00 feet to a point; thence turning N. 43-23-41 W. 162.02 feet to a point; thence turning N. 01-16-47 E. 60.02 feet; thence along the eastern edge of the right of way for S. R. 1692 a curve to the left having a radius of 250.00 feet a distance of 275.90 feet to a point; thence continuing along S.R. 1692 N. 25-01-41 W. 187.51 feet to a point; thence continuing along S.R. 1692 a curve to the right having a radius of 768.51 feet a distance of 196.71 feet to a point; thence continuing along S.R. 1692 N. 10-21-41 W. 1047.25 feet to a point; thence continuing along S.R. 1692 N. 17-17-12 W. 50.69 feet to a point; thence turning from the eastern edge of S.R. 1692 N. 30-42-46 E. 848.47 feet to a point; thence continuing N. 30-44-29 E. 121.92 feet to a point; thence continuing N. 38-15-20 E. 262.98 feet to a **point which is the POINT OF BEGINNING** for the property described herein; thence from said point of beginning S. 60-53-33 E. 536.05 feet to a point; thence continuing S. 68-08-18 E. 367.88 feet to a corner; thence turning S. 50-09-17 27.67 feet to a point, thence continuing along a curve to the left having a radius of 588.00 feet a distance of 404.54 feet; thence continuing S. 10-41-51 W. 156.83 feet; thence turning along a curve to the left having a radius of 629.00 feet a distance of 258.69 feet to a point; thence continuing S. 78-16-28 W. 59.89 feet to a corner; thence turning N. 11-43-32 W. 55.16 feet to a point; thence continuing along a curve to the right having a radius of 600.00 feet a distance of 385.03 feet to a corner; thence turning N. 60-53-33 W. 484.00 feet to a corner on the eastern edge of Crossroads Parkway (proposed); thence turning along the eastern edge of Crossroads Parkway (proposed), a curve to the right having a radius of 819.00 feet a distance of 298.78 feet to the point of beginning, containing 8.822 acres, more or less, and being shown and designated as LOT 1 on that certain plat entitled "Plat Showing Revision of Lot # 1, Carolina Crossroads Music and Entertainment District, Phase One", done by Jonathan C. Waters, P.L.S., dated April 26, 2006, and recorded in Plat Cabinet 6, Slide 143-O, Halifax Public Registry. Reference to said recorded plat is hereby made for greater certainty of description of the property described herein.

Amended Final

EXHIBIT C

LEASE-PURCHASE AGREEMENT