



FINANCE COMMITTEE MEETING AGENDA

Commission Chamber

Tuesday, February 13, 2024

1:15 PM

FINANCE

- 1.** Request to approve Augusta Commercial Property Insurance coverage for 2024 offered through Affiliated FM, current carrier, for a premium of \$938,639 for full blanket coverage and limited flood coverage in flood prone areas.
- 2.** Motion to approve continued service with CorVel, Third Party Workers Compensation Provider, renewal for Year 5.
- 3.** Approve Excess Workers' Compensation Insurance with Safety National Casualty with statutory limits and a \$1,000,000 Self Insured Retention (SIR – otherwise known as the deductible) to cover all positions for a premium of \$546,894.
- 4.** The New Arena Intergovernmental Agreement (IGA) describes the terms and responsibilities between Augusta and the Augusta Richmond County Coliseum Authority for the issuance of bond and construction of the New James Brown Arena (JBA).
- 5.** Update from the Interim Administrator regarding the URA revenue bond.
- 6.** Motion to approve the minutes of the Finance Committee held on January 30, 2024.



Finance Committee Meeting

2/13/24 1:00 pm

2024 Augusta Commercial Property Insurance Renewal

Department:	Finance – Risk Management Division
Presenter:	Donna Williams
Caption:	Request to approve Augusta Commercial Property Insurance coverage for 2024 offered through Affiliated FM, current carrier, for a premium of \$938,639 for full blanket coverage and limited flood coverage in flood prone areas.
Background:	Augusta has elected to use Property Insurance Broker Services and carry commercial property insurance on its properties since consolidation. The Risk Management Office staff inspects all Augusta properties annually and works with insurance company engineers in helping to reduce risk of property loss to Augusta.
Analysis:	MarshMcLennan Agency seeks annual quotes from the insurance market for "all risks" coverage on buildings and contents. Please see attachments for quote summary and list of declinations. Several insurers did not qualify or declined to quote coverage. Quotes are obtained from companies with A or better rating. Affiliated FM is the low bidder and is providing the greatest level of coverage for the exposure. Current coverage carries a \$50,000 deductible per occurrence except for flood and earthquake.
Financial Impact:	A premium for blanket coverage is being offered on total property values of \$975,334,653 for \$938,639 with a \$50,000 deductible. The quote from Affiliated FM includes flood coverage.
Alternatives:	1. Drop coverage and retain risk, 2. Reduce premiums by only insuring those properties representing the largest losses should an event damage the structures (Municipal Building, Law Enforcement Center, Judicial Center, RCCI, etc.)
Recommendation:	Approve Commercial Property Insurance coverage renewal for 2024 through Affiliated FM for a premium of \$938,639 which includes flood coverage and Boiler & Maintenance coverage. Effective March 1, 2024 – February 28, 2025
Funds are available in the following accounts:	611 015212 Risk Management General Insurance Fund Account

REVIEWED AND
APPROVED BY:

Finance
Law
Administrator
Clerk of Commission

Item 1.



Proposal for Insurance Services

Augusta, Georgia

Property Insurance Renewal

Presented By:

Phil Harison

Senior Vice President

Alec Miller, CLCS

Account Executive

Effective:

March 1, 2024

Your future is limitless.SM



We are your local resource.

We are the Southeast hub of Marsh & McLennan agency and have 21 local offices in Georgia, Alabama, Tennessee, Florida, and Kentucky.

We actively support the communities we represent and look to expand our footprint in the coming years.



We have global strength.

Our affiliation with the Marsh family of companies allows us to deliver far more valuable services to our clients including market research, benchmarking reports, technology, exclusive products and pricing, as well as unparalleled leverage with insurance carriers and vendors.



The strength of our solutions lies in the quality of our team.

Our approach means we look at your company holistically, and create a custom plan that aligns with your business strategies, core values and culture. We believe collaboration and teamwork are the key to success and enjoy working with our clients to build personal and professional security.

Marsh & McLennan Agency Client Service Team

Marsh & McLennan Agency LLC

2601 Commons Blvd.

Augusta, GA 30909

Phone: 706-737-8811

Fax: 706-737-3413

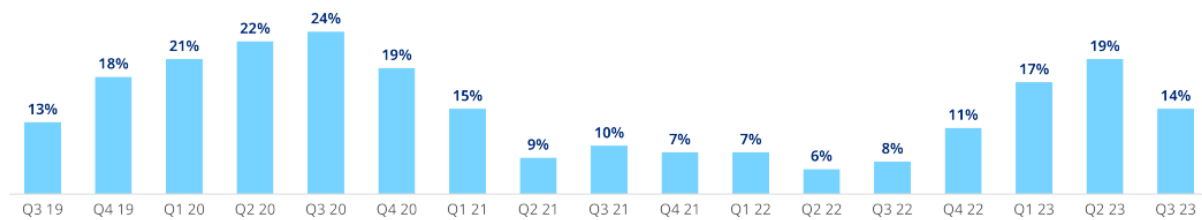
Insurance Placement Administration	
Phil Harison Jr. Senior Vice President	Phone: 706-737-8811 Email: phil.harison@marshmma.com
Alec Miller, CLCS Account Executive:	Phone: 678-294-4514 Email: alec.miller@marshmma.com
Trish Phillips Account Manager	Phone: 706-737-8811 Email: Trish.Phillips@MarshMMA.com
Claims Services	
Claims Representative: Mitzi McCoy, CPCU, AIC Senior Claim Analyst	Phone: 706-434-2404 Email: Mitzi.McCoy@MarshMMA.com

Property coverages

Rate trends

- Rate increases averaged 14% and 23% for catastrophe-exposed property in Q3 2023. Risks with significant high-hazard catastrophe exposures and losses that have predominately been written by excess and surplus (E&S) lines insurers can still experience rate increases in the 50% to 100%+ range.
- However, we have seen more positive activity toward the end of Q3, especially on ground-up, sound risk-managed lighter occupancy risks. There is more admitted market appetite for non-distressed new business, and we expect this trend to continue into Q4 and beyond. This will pressure incumbent admitted markets to "walk back" initial renewal quotes if they are overly punitive.

U.S. composite insurance pricing change – property



Source: Marsh Specialty and Global Placement

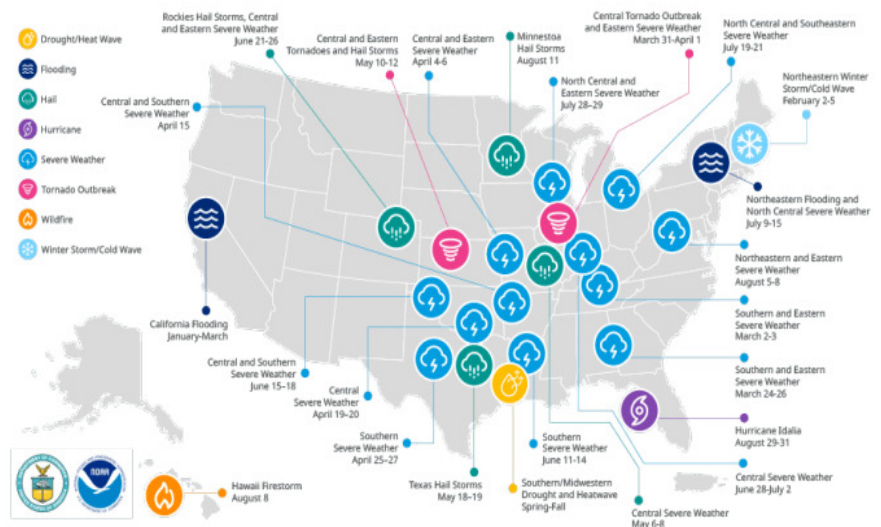
Property coverages

Conditions and observations

U.S. Q1–Q3 2023 experienced **twenty-four-billion-dollar** weather and climate disasters

Swiss Re's Urs Baertschi has warned the industry that annual catastrophe losses of **\$100 billion per year** should be considered the "new normal."

Verisk Extreme Event Solutions modelling puts this figure at **\$133 billion per year.**



This map denotes the approximate location for each of the 24 separate billion-dollar weather and climate disasters that impacted the United States in 2023.

Source: NOAA National Centers for Environmental Information (NCEI) U.S. Billion-Dollar Weather and Climate Disasters (2023). <https://www.ncei.noaa.gov/access/billions/>, DOI: 10.25921/stkw-7w73. This map denotes the approximate location for each of the 24 separate billion-dollar disasters in the U.S.

Marsh & McLennan Agency LLC

Premium Summary and Comparison

Policy	Option #1 Affiliated FM	Option #2 Travelers	Option #3 Lloyds London
Commercial Property Premium	\$938,639	\$1,170,402	\$2,438,336

No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

Comments & Conditions:

- 1) Total Insured Values: 2023 Term - \$921,995,240. 2024 Term - \$975,334,653
- 2) The above indications will be firmed up once the below additional underwriting data has been received and updated by the carrier.

Please note, not all of the location addresses match exactly with the new Statement of Values since we are working to confirm about 30 of these new addresses.

The Current TIV includes the new location at 1351 Majestic Skies. No changes made to the Augusta regional airport since we are waiting to see who is responsible for the Contents.

Changes to Expiring Policy:

Flood:

- Adding 386 Prep Phillips Drive to the Flood Tier Appendix and \$2M sub-limit. This is an updated address and the building is in the 100 year flood zone. This will be reflected in the formal proposal.

Deductibles:

- Wind and Hail \$100K per occurrence – this is due to the increasing wind and hail exposure across the south east
- Water Damage \$50K per location – this is due to the increase in water damage exposures and costs over the last 3 years

Vacant Locations are listed below. Building Valuation is Actual Cash Value and policy excludes vandalism, sprinkler leakage, glass breakage, etc.

The following location(s) are considered vacant:

Loc. No.	Title	Address
011		78 & 80 Milledge Road, Augusta, Georgia, 30904, USA
036		5098 Mike Padgett Highway, Augusta, Georgia, 30906, USA
050		1439 Walton Way, Augusta, Georgia, 30901, USA
122		600 Broad Street, Augusta, Georgia, 30901, USA

PROPERTY VALUES:

Reporting the accurate value of your property is an important component of a properly structured property insurance policy. We recommend that you consider obtaining the services of a professional appraisal service who can provide you with the proper basis to determine the amount of coverage to be carried. With a professional appraisal, we, as your insurance agent, will be better prepared to design a property policy that will help protect you in the event of a loss.

SCHEDULE OF LOCATIONS

Location Schedule

Loc. No.	Title	Address
001		1501 Aviation Way, Augusta, Georgia, 30906, USA
002		902 Greene Street, Augusta, Georgia, 30901, USA
003		1568 Broad Street, Augusta, Georgia, 30904, USA
004		1898 Highland Avenue, Augusta, Georgia, 30911, USA
005		530 Greene Street, Augusta, Georgia, 30901, USA
006		520 Fenwick Street, Augusta, Georgia, 30901, USA
007		3421 Mike Padgett Highway, Augusta, Georgia, 30906, USA
008		1 7th Street, Augusta, Georgia, 30901, USA
009		2 10th Street, 901 & 902 Reynolds Street, Augusta, Georgia, 30901, USA
010		850 Ellis Street, Augusta, Georgia, 30901, USA
011		78 & 80 Milledge Road, Augusta, Georgia, 30904, USA
012		2314 Tobacco Road, Augusta, Georgia, 30906, USA
013		2463/2456 Golden Camp Road, Augusta, Georgia, 30906, USA
014		3157 Damascus Road, Augusta, Georgia, 30909, USA
015		1941 Phinizy Road, Augusta, Georgia, 30906, USA
016		425 Wood Street, Augusta, Georgia, 30904, USA
017		2421 Riverlook Drive, Augusta, Georgia, 30904, USA
018		1820 Doug Barnard Parkway, Augusta, Georgia, 30906, USA
019		2822 & 2835 Central Avenue, Augusta, Georgia, 30909, USA
020		1731 Tobacco Road and 234 Pistol Range Road, Augusta, Georgia, 30906, USA
021		101-104 Diamond Lakes Way and 4335 Windsor Spring Road, Hephzibah, Georgia, 30815, USA
022		3647 Karleen Road, Augusta, Georgia, 30906, USA
023		1155 Hephzibah-McBean Road, Hephzibah, Georgia, 30815, USA
024		1101 Bennock Mill Road, Augusta, Georgia, 30906, USA
025		2098 Greenland Road, Augusta, Georgia, 30805, USA
026		1941 Lumpkin Road, Augusta, Georgia, 30906, USA
028		911 4th Street, Augusta, Georgia, 30901, USA
029		4136 Mack Lane, Augusta, Georgia, 30906, USA
030		1840 Wylds Road, Augusta, Georgia, 30909, USA
031		2260 Walton Way, Augusta, Georgia, 30904, USA
032		1237 Laney Walker Boulevard, Augusta, Georgia, 30901, USA
033		1447 Jackson Road, Augusta, Georgia, 30909, USA
034		1927 Lumpkin Road, Augusta, Georgia, 30906, USA
035		346 Watkins Street, Augusta, Georgia, 30906, USA
036		5098 Mike Padgett Highway, Augusta, Georgia, 30906, USA
037		3507 GA Highway 88, Blythe, Georgia, 30805, USA
038		3705 Old Waynesboro Road, Augusta, Georgia, 30906, USA
039		4185 Windsor Spring Road, Augusta, Georgia, 30906, USA
040		3446 Old Louisville Road, Augusta, Georgia, 30906, USA
041		2619 Lumpkin Road, Augusta, Georgia, 30906, USA
042		2618 Richmond Hill Road, Augusta, Georgia, 30906, USA
043		2108 Old Savannah Road, Augusta, Georgia, 30906, USA
045		1920 Martin Luther King Jr Boulevard, Augusta, Georgia, 30901, USA
046		3909 Wrightsboro Road, Augusta, Georgia, 30909, USA

047	302 Watkins Street, Augusta, Georgia, 30901, USA
048	2163 Central Avenue, Augusta, Georgia, 30904, USA
051	1099 Reynolds Street, Augusta, Georgia, 30901, USA
052	3507 Walton Way, Augusta, Georgia, 30906, USA
054	1866 Ellis Street, Augusta, Georgia, 30904, USA
055	2163 Central Avenue, Augusta, Georgia, 30904, USA
056	1898 Martin Luther King Jr Boulevard, Augusta, Georgia, 30901, USA
057	1600 Brown Street, Augusta, Georgia, 30901, USA
058	1 Broad Street, Augusta, Georgia, 30901, USA
059	2917 Willis Foreman Road, Hephzibah, Georgia, 30815, USA
060	1898 Highland Avenue, Augusta, Georgia, 30904, USA
061	2316 Tobacco Road, Augusta, Georgia, 30906, USA
063	520 Greene Street, Augusta, Georgia, 30901, USA
065	1A 5th Street, Augusta, Georgia, 30901, USA
067	2029 Lumpkin Road, Augusta, Georgia, 30906, USA
068	401 Hale Street, Augusta, Georgia, 30901, USA
069	3423 Mike Padgett Highway, Augusta, Georgia, 30906, USA
072	3116A Augusta Tech Drive, Augusta, Georgia, 30906, USA
073	702 3rd Street, Augusta, Georgia, 30901, USA
074	120 Watkins Street, Augusta, Georgia, 30906, USA
075	4330 Deans Bridge Road, Blythe, Georgia, 30805, USA
076	1815 Marvin Griffin Road, Augusta, Georgia, 30906, USA
077	2051 Division Street, Augusta, Georgia, 30904, USA
078	1157 5th Street, Augusta, Georgia, 30901, USA
082	1708-1710 Highland Ave, Augusta, Georgia, 30904, USA
083	1600 Troupe Street, Augusta, Georgia, 30906, USA
084	2105 Lock & Dam Road, Augusta, Georgia, 30906, USA
085	622 4th Street, Augusta, Georgia, 30901, USA
086	2027 Lumpkin Road, Augusta, Georgia, 30906, USA
088	1488 Eisenhower Drive, Augusta, Georgia, 30904, USA
089	965 Hickman Road, Augusta, Georgia, 30904, USA
091	1349 Community Park Road, Augusta, Georgia, 30906, USA
092	308 Warren Road, Augusta, Georgia, 30907, USA
093	644 Aiken Street, Augusta, Georgia, 30901, USA
094	1014 11th Avenue, Augusta, Georgia, 30901, USA
095	1200 Nellieville Road, Augusta, Georgia, 30901, USA
097	3461 Old McDuffie Road, Augusta, Georgia, 30906, USA
098	2315 Tobacco Road, Augusta, Georgia, 30906, USA
100	87 Milledge Road, Augusta, Georgia, 30904, USA
102	1500 Holley Street, Augusta, Georgia, 30901, USA
103	1830 Chester Avenue, Augusta, Georgia, 30906, USA
104	1915 Lumpkin Road, Augusta, Georgia, 30906, USA
105	2740 Mayo Road, Augusta, Georgia, 30907, USA
106	1610 Hunter Street, Augusta, Georgia, 30901, USA
109	432 Telfair Street, Augusta, Georgia, 30901, USA
110	836 Reynolds Street, Augusta, Georgia, 30901, USA
111	3101 Wrightsboro Road, Augusta, Georgia, 30906, USA
112	2001 Lumpkin Road, Augusta, Georgia, 30906, USA
113	101 Riverfront Drive, Augusta, Georgia, 30901, USA
114	3129 GA Highway 88, Blythe, Georgia, 30805, USA
115	2540 Wheeler Road, Augusta, Georgia, 30904, USA
117	1546 Broad Street, Augusta, Georgia, 30904, USA
118	1828 Smith Cemetery Road # 1835, Augusta, Georgia, 30906, USA

119		2760 Peach Orchard Road, Augusta, Georgia, 30906, USA
120		4H Club Rd, Augusta, Georgia, 30906, USA
121		1506 4-H Club Road, Augusta, Georgia, 30906, USA
122		600 Broad Street, Augusta, Georgia, 30901, USA
123		3824 Maddox Road, Augusta, Georgia, 30909, USA
124		3125 Deans Bridge Road, Augusta, Georgia, 30906, USA
125		3117 Deans Bridge Road, Augusta, Georgia, 30906, USA
126		825 Telfair Street, Augusta, Georgia, 30901, USA
127		735 James Brown Boulevard, Augusta, Georgia, 30901, USA
128		3050 Deans Bridge Road, Augusta, Georgia, 30906, USA
129		2816 Washington Road, Augusta, Georgia, 30909, USA
130		1056 Alexander Drive, Augusta, Georgia, 30909, USA
131		1835 Wylds Road, Augusta, Georgia, 30909, USA
132		2023 Highland Avenue, Augusta, Georgia, 30904, USA
133		3409 Mike Padgett Highway, Augusta, Georgia, 30906, USA
134		400 & 402 Walton Way, Augusta, Georgia, 30901, USA
135		511 Reynolds Street, Augusta, Georgia, 30901, USA
136		3463A & 3463B Peach Orchard Road, Augusta, Georgia, 30906, USA
137		452 Walker Street, Augusta, Georgia, 30901, USA
146		712 4th Street, Augusta, Georgia, 30901, USA
147		3405 Mike Padgett Highway, Augusta, Georgia, 30906, USA
148		1850 Broad Street, Augusta, Georgia, 30904, USA
150		928 Telfair Street, Augusta, Georgia, 30901, USA
151		2844 Regency Boulevard Buildings A & B, Augusta, Georgia, 30904, USA
152		2820 Old Highway 1, Hephzibah, Georgia, 30815, USA
155		1001 4th Street, Augusta, Georgia, 30901, USA
156		1803 Marvin Griffin Rd, Augusta, Georgia, 30906-3811, USA
157		3431 Mike Padgett Highway, Augusta, Georgia, 30906-3815, USA
158		912 8th St, Augusta, Georgia, 30901-2918, USA
160		4446 Old Waynesboro Rd, Hephzibah, Georgia, 30815-4352, USA
161		1351 Majestic Skies Way, Augusta, Georgia, 30906, USA

SCHEDULE OF SUB-LIMITED LOCATIONS

Sub-Limited Location Schedule

Loc. No.	Title	Address
050		1439 Walton Way, Augusta, Georgia, 30901, USA
Sub-limit of liability:		
Personal Property		NOT COVERED
Real Property		USD 417,909
Business Interruption		NOT COVERED
081		328 Riverfront Drive, Augusta, Georgia, 30901, USA
Sub-limit of liability:		
Personal Property		NOT COVERED
Real Property		USD 441,510
Business Interruption		NOT COVERED
099		2107 Telfair Street, Augusta, Georgia, 30904, USA
Sub-limit of liability:		
Personal Property		USD 96,843
Real Property		NOT COVERED
Business Interruption		NOT COVERED
107		902 James Brown Boulevard, Augusta, Georgia, 30901, USA
Sub-limit of liability:		
Personal Property		NOT COVERED
Real Property		USD 844,602
Business Interruption		NOT COVERED
153		200 Dorsey Drive, Augusta, Georgia, 30905, USA
Sub-limit of liability:		
Personal Property		USD 5,232,400
Real Property		USD 21,852,480
154		205 Dorsey Drive, Augusta, Georgia, 30905, USA
Sub-limit of liability:		
Personal Property		USD 267,800
Real Property		USD 2,403,773
159		2803 Wrightsboro Rd, Augusta, Georgia, 30909-3913, USA
Sub-limit of liability:		
Personal Property		USD 250,000
Real Property		NOT COVERED
Business Interruption		NOT COVERED

A. POLICY TERM

FROM: 1 March 2024 12:01 a.m. Standard Time
TO: 1 March 2025 12:01 a.m. Standard Time

B. NAMED INSURED

Augusta Richmond County and its wholly or majority owned subsidiaries, and any interest which may now exist or hereinafter be created or acquired which are owned, controlled or operated by any one or more of those named insureds.

C. POLICY LIMIT

This Company's total limit of liability, including any insured Business Interruption loss, will not exceed the Policy Limit of USD 500,000,000 as a result of any one occurrence subject to the respective sub-limits of liability shown elsewhere in this Policy.

D. POLICY TERRITORY

Coverage provided by this Policy is limited to property while located within the United States of America.

Cyber Coverage Territory

Coverage provided in Data Restoration; Data Service Provider Property Damage and Business Interruption; and Owned Network Interruption is limited to anywhere in the world except Cuba; Iran; North Korea; Russian Federation; Sudan; Syria; and Crimea, Donetsk People's Republic (DPR) and Luhansk People's Republic (LPR) regions of Ukraine.

E. INSURANCE PROVIDED**Location Schedule**

This Policy covers property, as described in this Policy, against ALL RISKS OF PHYSICAL LOSS OR DAMAGE, except as hereinafter excluded, while located as follows:

See attached Schedule of Locations

Sub-Limited Location Schedule

This Policy covers property, as described in this Policy, against ALL RISKS OF PHYSICAL LOSS OR DAMAGE, except as hereinafter excluded, not to exceed the limits of liability specified for the coverages indicated, while located as follows:

There shall be no liability under this Policy when "NOT COVERED" is shown.

See attached Schedule of Sub-Limited Locations

F. SUB-LIMITS

Unless otherwise stated below or elsewhere in this Policy, the following sub-limits of liability, including any insured Business Interruption loss, will be the maximum payable and will apply on a per occurrence basis.

The sub-limits stated below or elsewhere in this Policy are part of and not in addition to the Policy Limit.

When a limit of liability applies to a location or property, such limit of liability will be the maximum amount payable for all loss or damage.

There shall be no liability under this Policy when "NOT COVERED" is shown as a sublimit.

Accounts Receivable	USD 2,500,000
Arson or Theft Reward	USD 250,000
Attraction Property	NOT COVERED
boiler and machinery	Policy Limit
Brand Protection	Policy Limit
Change of Temperature	USD 100,000
Civil or Military Authority	30 days
Communicable Disease - Business Interruption	NOT COVERED
Communicable Disease - Property Damage	USD 1,000 annual aggregate
communication towers and associated equipment attached to towers	USD 50,000
Contractual Penalties	NOT COVERED
Crisis Management	NOT COVERED

cyber event	<ol style="list-style-type: none"> 1. USD 1,000 annual aggregate for Data Restoration 2. USD 1,000 annual aggregate for Data Service Provider - Property Damage 3. USD 50,000 annual aggregate for loss or damage to stock in process or finished goods manufactured by or for the Insured caused by or resulting from cyber event that impacts the processing, manufacturing, or testing of such property or while it is otherwise being worked on.
Data Restoration	USD 500,000 annual aggregate
Data Service Provider - Business Interruption	NOT COVERED
Data Service Provider - Property Damage	USD 50,000 annual aggregate
Debris Removal	Policy Limit Not to exceed USD 100,000 for Location No. 047, 302 Watkins Street, Augusta, Georgia, 30901, USA
Decontamination Costs	Policy Limit
Deferred Payment	USD 100,000
Demolition and Increased Cost of Construction	Policy Limit
Earth Movement	USD 100,000,000 annual aggregate, not to exceed USD 50,000 annual aggregate for Data Service Provider - Property Damage, Errors and Omissions, Off-Premises Service Interruption - Property Damage and Unnamed Property, combined
Errors and Omissions	USD 10,000,000
Expediting Expenses	USD 1,000,000
Extended Period of Liability	NOT COVERED
Extra Expense	USD 5,000,000
fine arts	USD 5,000,000, not to exceed USD 10,000 per item for irreplaceable fine arts

Flood	<p>USD 50,000,000 annual aggregate, not to exceed the following:</p> <ol style="list-style-type: none"> USD 5,000,000 annual aggregate for locations described on Tier I Flood Prone Locations, Appendix A, combined, not to exceed USD 2,000,000 annual aggregate for the following locations, combined: <ul style="list-style-type: none"> Location No. 017, 2421 Riverlook Drive, Augusta, Georgia, 30904, USA; Location No. 065, 1A 5th Street, Augusta, Georgia, 30901, USA; Location No. 084, 2105 Lock & Dam Road, Augusta, Georgia, 30906, USA; Location No. 103, 1830 Chester Avenue, Augusta, Georgia, 30906, USA; Location No. 104, 1915 Lumpkin Road, Augusta, Georgia, 30906, USA; Location No. 113, 101 Riverfront Drive, Augusta, Georgia, 30901, USA; Location No. 126, 825 Telfair Street, Augusta, Georgia, 30901, USA; Location No. 153, 200 Dorsey Drive, Augusta, Georgia, 30905, USA and Location No. 154, 205 Dorsey Drive, Augusta, Georgia, 30905, USA USD 50,000 annual aggregate for Data Service Provider - Property Damage, Errors and Omissions, Off-Premises Service Interruption - Property Damage and Unnamed Property, combined
Green Coverage	USD 100,000 not to exceed 25% of the amount of the property damage loss
Gross Earnings	NOT COVERED
Gross Profits	NOT COVERED
Ingress/Egress	NOT COVERED
Land and Water Clean Up Expense	USD 50,000 annual aggregate
landscaping, lawns, shrubs, trees and flowers	USD 100,000, not to exceed USD 1,000 per item
Leasehold Interest	NOT COVERED
Locks and Keys	USD 500,000
Logistics Extra Cost	NOT COVERED
Money and Securities	USD 250,000
Newly Acquired Property	USD 10,000,000

Off-Premises Service Interruption - Business Interruption	NOT COVERED
Off-Premises Service Interruption - Property Damage	USD 1,000,000
Owned Network Interruption	NOT COVERED
pavements and roadways	USD 100,000
Professional Fees	USD 250,000
Property Removed from a Location	Policy Limit
property under construction	USD 500,000
Protection and Preservation of Property - Business Interruption	NOT COVERED
Protection and Preservation of Property - Property Damage	Policy Limit, not to exceed USD 250,000 for security costs
Rental Income	NOT COVERED
Research and Development	NOT COVERED
Soft Costs	USD 100,000
Supply Chain	NOT COVERED
Tax Treatment	USD 100,000
Tenants Legal Liability	USD 100,000
Terrorism	USD 100,000 annual aggregate, not to exceed USD 100,000 annual aggregate for Flood and Property Removed from a Location combined
Terrorism: Supplemental United States Certified Act of Terrorism Endorsement(s)	USD 100,000 for property located in the United States of America
Transit	USD 500,000, not to exceed USD 250,000 for Business Interruption
Unnamed Property	USD 5,000,000
valuable papers and records	USD 2,000,000, not to exceed USD 10,000 per item for irreplaceable valuable papers and records

G. QUALIFYING PERIODS AND DEDUCTIBLES

QUALIFYING PERIODS

This Company will not be liable for loss or damage unless the Qualifying Period below is exceeded. When the Qualifying Period is exceeded, the loss will be calculated beginning from the time of loss or damage. The Qualifying Periods for the following coverages are as follows:

Communicable Disease - Property Damage	48 hours
Data Restoration	48 hours
Data Service Provider - Property Damage	24 hours
Off-Premises Service Interruption - Property Damage	48 hours

DEDUCTIBLES

This Company will not be liable for loss or damage, including any insured Business Interruption loss, in any one occurrence until the amount of loss or damage exceeds the deductible amount shown below and then this Company will only be liable for its share of the loss or damage in excess of the deductible amount.

The following deductible amounts shall apply per occurrence, unless otherwise stated, for insured loss or damage under this Policy.

When two or more deductibles apply to a single occurrence, then no more than the largest deductible amount will apply. However, this Policy allows for the application of separate and distinct deductibles and deductibles for specific loss or damage as shown below.

When a day equivalent deductible is stated below it is calculated as follows. The 100% daily actual annual Business Interruption value that would have been earned had no loss occurred at the location where the physical damage happened plus that proportion of the 100% annual business interruption value at all other locations where Business Interruption loss ensues, divided by the number of annual working days.

When a % percent deductible is stated below it is calculated as follows:

1. The value of property at the time such loss or damage at the location where loss or damage occurs, in accordance with the valuation section of this Policy.
2. The annual Business Interruption value that would have been earned at the location where loss or damage occurs plus that proportion of the 100% Business Interruption value at all other locations where Business Interruption loss ensues, in accordance with the Business Interruption section of this Policy (if any).

earthquake	USD 100,000 per location
fine arts and valuable papers and records	USD 10,000

Flood	USD 100,000 per location Except USD 500,000 per location for locations described on Tier I Flood Prone Locations, Appendix A
water damage	USD 50,000 per location
wind and hail	USD 100,000
All Other Losses	USD 50,000

H. ADDITIONAL EXCLUSIONS

In addition to the exclusions elsewhere in this Policy, the following exclusions apply unless otherwise stated:

1. Vacant Locations

After 60 days from the date a location becomes vacant, coverage at such location is subject to the following:

This Company will:

1. Apply the following additional exclusions:

This Policy excludes loss or damage caused by or resulting from vandalism or malicious mischief, sprinkler leakage, glass breakage, liquid damage, changes of temperature, changes in relative humidity, theft, fungus, mold or mildew, collapse, and any loss covered under Demolition and Increased Cost of Construction; and

2. Value the insured physical loss amount under this Policy as of the date of loss at the place of loss, and for no more than the interest of the Insured based on the lesser of:

- On property offered for sale on the date of the loss, the selling price.
- On property scheduled for demolition, the increased cost of demolition, if any, directly resulting from insured loss.
- The cost to repair or replace.
- The actual cash value.

The following location(s) are considered vacant:

Loc. No.	Title	Address
011		78 & 80 Milledge Road, Augusta, Georgia, 30904, USA
036		5098 Mike Padgett Highway, Augusta, Georgia, 30906, USA
050		1439 Walton Way, Augusta, Georgia, 30901, USA
122		600 Broad Street, Augusta, Georgia, 30901, USA

DEFINITIONS is amended to include:

vacant means:

The Real Property is unoccupied or the property does not contain enough personal property, machinery or equipment to conduct customary business operations or services;

The Insured is the owner, or lessor, and 30% or less of the total rentable square footage of the location is leased, rented or occupied; or

The Insured is the lessee and the area rented to the Insured does not contain enough personal property, machinery or equipment to conduct customary business operations or services.

Real Property that is under active construction or renovation is not considered vacant unless construction or renovation has ceased for more than 60 consecutive days.

2. Property Exclusion - PRO 408 (01/17)

PROPERTY EXCLUDED is amended to include:

2020 Leona Street, Augusta, Georgia, 30901, USA
 1559 Eagles Way, Augusta, Georgia, 30904, USA
 1860 Kissinghower, Augusta, Georgia, 30906, USA
 4977 Windsor Spring Road, Augusta, Georgia, 30906, USA
 2830 Central Ave, Augusta, Georgia, 30909, USA
 2625 Washington Rd, Augusta, Georgia, 30904, USA
 525 Telfair St, Augusta, Georgia, 30901, USA
 5th Laney Walker, Augusta, Georgia, 30901, USA
 1698 Hunter Street, Augusta, Georgia, 30901, USA
 1800 Heath Street, Augusta, Georgia, 30904, USA
 2510 Allen Street, Augusta, Georgia, 30904, USA
 1132 Merry Street, Augusta, Georgia, 30904, USA
 1516 Fenwick Street, Augusta, Georgia, 30904, USA
 401 Walton Way, Augusta, Georgia, 30901, USA

3. Personal Property Exclusion - PRO 408 (01/17)

PROPERTY EXCLUDED is amended to include:

Personal Property at the following location(s):

Loc. No.	Title	Address
031		2260 Walton Way, Augusta, Georgia, 30904, USA
032		1237 Laney Walker Boulevard, Augusta, Georgia, 30901, USA
033		1447 Jackson Road, Augusta, Georgia, 30909, USA
034		1927 Lumpkin Road, Augusta, Georgia, 30906, USA
126		825 Telfair Street, Augusta, Georgia, 30901, USA

4. Transmission and Distribution Systems Exclusion - PRO 132 (01/19)

PROPERTY EXCLUDED is amended to include:

transmission and distribution systems, except at a described location but not within the 1,000 feet extension provided by the PROPERTY INSURED wording.

5. Location Debris Removal Only Coverage (Property Damage) - PRO 383 (04/15)

PROPERTY EXCLUDED is amended to include the following:

Property at the following location(s):

Loc. No.	Title	Address
047		302 Watkins Street, Augusta, Georgia, 30901, USA

Except for Debris Removal coverage.

This Policy covers Debris Removal for the following location(s):

Loc. No.	Title	Address
047		302 Watkins Street, Augusta, Georgia, 30901, USA

6. Fort Eisenhower Exclusion - PRO 408 (01/17)

PROPERTY EXCLUDED is amended to include:

All property at Fort Eisenhower, Augusta, Georgia, 30905, USA

Except at the following location(s):

Loc. No.	Title	Address
153	Fort Eisenhower Irrigation Water Treatment Plant	200 Dorsey Drive, Augusta, Georgia, 30905, USA
154	AUD Fort Eisenhower Admin Building	205 Dorsey Drive, Augusta, Georgia, 30905, USA

Property Definitions

Actual Cash Value: This valuation method pays for the cost to repair or replace damaged property with like kind and quality, less reasonable deductions for wear and tear, deterioration, and economic obsolescence.

Agreed Value: This coverage is used to remove the coinsurance requirement for covered property. With it your company agrees that the amount of coverage purchased is adequate, and any coinsurance requirements are waived if the limit of insurance equals the agreed value.

Basic Cause of Loss: This coverage is used to provide protection for the following causes of loss: fire, lightning, explosion, windstorm, hail, smoke (except from agricultural smudging or industrial operations), aircraft, vehicles, riot, civil commotion, vandalism, sprinkler leakage, sinkhole collapse, and volcanic action.

Broad Cause of Loss: This coverage is used to provide protection for the following causes of loss: fire, lightning, explosion, windstorm, hail, smoke (except from agricultural smudging or industrial operations), aircraft or vehicles, riot, civil commotion, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, breakage of glass, falling objects, weight of snow, ice or sleet (except for damage to gutters, downspouts or personal property outside of buildings), and limited water damage.

Business Income: This coverage is used to insure against loss of income that you experience because of a suspension of your business when insured property has been damaged by a "covered" peril. If indicated on the proposal, it may also include additional expenses needed to continue business. Refer to the specific Business Income form for any set "period of restoration" limitations.

Coinsurance: A policy may contain a coinsurance clause requiring that the limit of coverage be a minimum percentage (usually 80%) of the insurable value of your property. If the amount of insurance carried is less than what is required by this clause, any claim payment may be reduced by the same percentage as the deficiency. For example, covered property worth \$100,000 may require a minimum of 80%, or \$80,000, of coverage for compliance with the policy's coinsurance requirement. If only \$60,000 of coverage is carried (25% less than the required \$80,000), then any loss payment would be reduced by 25%.

Coverage Summary: Direct physical loss of or damage to covered property at described premises caused by or resulting from a covered Cause of Loss.

Earthquake: This coverage is used to provide protection for loss due to earth movement including earthquake shocks and volcanic eruption.

Flood: This coverage is used to provide coverage against loss due to water damage arising from flooding, surface water, tides, tidal waves, and the overflow of any body of water.

Functional Replacement Cost: This valuation method is used in situations where replacing damaged or destroyed property is impractical, impossible, or unnecessary. It affords you the ability to substitute property which is substantially different in value or cost from the original property. Consequently, you are allowed to carry policy limits lower than what would normally be required.

Property Definitions - Continued

Guaranteed Replacement Cost: When added to your policy, this endorsement guarantees to repair or rebuild a covered building even if the reconstruction costs are greater than the amount of coverage specified for that building.

Property Specific Basis: Property protection is provided for a specified limit of insurance at each individually described premise.

Property Blanket Basis: Blanket protection combines a number of separate property coverages and/or coverages at two or more locations under a single combined limit of insurance.

Replacement Cost: This valuation method pays for the cost to repair or replace damaged items with like kind and quality without deduction for depreciation. This is important since you could face a substantial loss if you must replace property at today's prices but receive only the depreciated value of the property that was destroyed.

Special Cause of Loss: This coverage will protect covered property against direct physical loss arising from any cause not specifically "excluded". Example of exclusions are **flood, earthquake**, rust, corrosion, fungi, mold, damage to property being worked on, artificially generated electrical currents, damage by rain, snow, or sleet to property in the open. Refer to the special cause of loss form for additional exclusions.

Vacancy: All property policies include a condition that limits or reduces coverage when a building is **vacant** or considered vacant as defined by the insurance policy. For certain causes of loss, coverage is completely eliminated. The policy can include wording that defines a building as considered **vacant** beyond a certain period of time or a certain percentage of the square footage of the building is not used to conduct customary operations. In most cases, policies or coverage forms that apply to commercial property require additional premium and endorsement in order for insurance coverage to continue during a period of **vacancy**.

Valuation: The value basis by which the covered property is replaced after the loss.

Coverage Recommendations

We have been dependent upon information provided by you to evaluate your exposures to loss. However, if there are other areas that need to be evaluated, please bring these areas to our attention. ***Specifically, we ask that you review and consider the following items:***

HIGHER LIMITS:	In today's litigious society, many businesses have found it necessary to increase their limits of liability to ensure adequate protection for their assets in the event of a loss. Higher limits of liability may be available. To ensure your level of comfort, please carefully review the limits of coverage shown in this proposal
BUSINESS INTERRUPTION:	A time element coverage which pays for loss of earnings when business operations are curtailed or suspended due to property loss as a result of an insured cause of loss. Also covered are loss of rents and rental value. Extra expenses incurred to continue operations at another location are included as long as they reduce the total amount of loss.
BUILDING ORDINANCE:	Provides coverage including (1) Demolition Cost, (2) Increased Cost of Construction, and (3) Coverage for Undamaged Portion of your "older" buildings. By law, a building not in conformance with current building codes could be required to be demolished or remodeled to satisfy all current building requirements. Insurance protection for these exposures is not contemplated by the standard property "form".
EMPLOYEE DISHONESTY:	Reimburses you for loss of money or other property because of a fraudulent or dishonest act committed by an employee.
FLOOD INSURANCE:	Protects your property against loss by flood, high tides or waves, or rising water due to severe storms, which are normally perils excluded by the "All Risk" property forms. Mudslide, if a result of general floods conditions, is also covered. Coverage against damage done by the rising or overflowing of bodies of water.
EARTHQUAKE INSURANCE:	Protects your property against loss by earthquake and volcanic eruption, which are normally perils excluded by the "Special" property forms.
EMPLOYMENT PRACTICES LIABILITY:	Insures against a wide spectrum of claims arising from the Americans With Disability Act, the Civil Rights Act of 1991, and other state and federal civil rights laws affecting employment related discrimination, sexual harassment and wrongful termination.
DIRECTORS & OFFICERS LIABILITY:	Covers your officers and directors from claims brought because of alleged negligent acts and errors or omissions, while acting within the capacity of their official duties.
FIDUCIARY LIABILITY:	The Employee Retirement Income Security Act (ERISA) imposed an obligation on employee benefit plan fiduciaries to act solely in the interest of participants and beneficiaries. Under the law, fiduciaries are personally liable for any breach of their responsibilities. Fiduciary Liability coverage protects the personal assets of trustees.

Coverage Recommendations - Continued

INTERNATIONAL:

Do you have any customers that have foreign sales, imports or exports?
Do you sell any products over the internet?
Do any of your employees travel outside the United States on business?
Do you attend trade fairs or exhibitions overseas?
Do you have any customers looking for new markets overseas – including Canada and Mexico?
Do you have any overseas facilities, licensing, subcontracting or joint ventures?
Do you have an Ocean Cargo policy?
Do you have any customers that travel overseas routinely to service sold products or equipment?

If you have answered yes to any of these questions, you may need to purchase local statutory required coverage for the country(s) where you have exposures. When companies do business in foreign countries, they can encounter a myriad of unfamiliar laws, languages and customs. Foreign Liability Insurance is the first line of defense against costly legal actions arising from events occurring outside U.S. borders.

POLLUTION:

Contractor's Pollution Liability (CPL): Provides coverage for loss as a result of claims for bodily injury, property damage, or clean-up costs caused by pollution conditions resulting from covered operations; applies to sudden and gradual pollution events; coverage can be amended to include vicarious professional exposure, non-owned disposal sites, transportation, and limited premises liability.

Pollution Legal Liability (PLL): facility-based coverage for listed locations; provides on-site and off-site coverage for bodily injury, property damage, and clean-up for pollution conditions on, at, under, or emanating from a covered location; coverage can be for pre-existing and/or new conditions; coverage can be amended to include non-owned disposal sites, transportation, and business interruption.

Tank Coverage: provides coverage for third-party claims and first-party remediation costs for a storage tank incident from a scheduled tank; coverage can be used to satisfy the insured's obligation to demonstrate financial responsibility under State Tank Financial Requirements.

PROPERTY VALUES:

Reporting the accurate value of your property is an important component of a properly structured property insurance policy. We recommend that you consider obtaining the services of a professional appraisal service who can provide you with the proper basis to determine the amount of coverage to be carried. With a professional appraisal, we, as your insurance agent, will be better prepared to design a property policy that will help protect you in the event of a loss.

Coverage Recommendations - Continued

PRIVACY LIABILITY AND NETWORK SECURITY LIABILITY COVERAGE:

Privacy Liability coverage is one of the fastest growing areas of Commercial Insurance, with Insurers now providing far more comprehensive coverage than they have in the past. Network Security coverage (or "Cyber Liability"), while still being a valid form of coverage, is simply inadequate on its own to fully protect a company's exposures under Privacy Legislation enacted in the last few years. Virtually every company has some form of Privacy Liability exposure and policies can be structured to provide the following:

- **Privacy Liability:**
 - Covers loss arising out of the organization's failure to protect sensitive personal or corporate information *in any format*.
 - Provides coverage for regulatory proceedings brought by a government agency alleging the violation of any state, federal, or foreign identity theft or privacy protection legislation.
- **Privacy Claim Expenses Coverage:**
 - Covers expenses to retain a computer forensics firm to determine the scope of a breach, to comply with privacy regulations, to notify and provide credit monitoring services to affected individuals, and to obtain legal, public relations or crisis management services to restore the company's reputation.
- **Network Security Liability:**
 - Covers any liability of the organization arising out of the failure of network security, including unauthorized access or unauthorized use of corporate systems, a denial of service attack, or transmission of malicious code.
- **Internet Media Liability:**
 - Covers infringement of copyright or trade mark, invasion of privacy, libel, slander, plagiarism, or negligence arising out of the content on the organization's internet website.
- **Network Extortion:**
 - Covers extortion monies and associated expenses arising out of a criminal threat to release sensitive information or bring down a network unless consideration is made.
- **Network Business Interruption:**
 - Covers for Business Interruption Losses as a result of an interruption of computer systems caused by the failure of computer security systems to prevent:
 - a virus being introduced into the computer system, or
 - unauthorized access to the computer system.
- **Contingent Business Interruption:**
 - An extension to the Network BI Cover to provide cover for losses due to the impairment of the Insured company's business operations following a disruption to an IT Provider's system.
- **Professional Liability:**
 - For companies providing professional services to their clients, Privacy Liability policies can also be arranged to include a company's Professional Liability exposures in the technology field (which requires a specific insuring clause) or in providing non-technology services.

Compensation Disclosure and Limitation of Liability

Marsh & McLennan Agency LLC (“MMA”) prides itself on being an industry leader in the area of transparency and compensation disclosure. We believe you should understand how we are paid for the services we are providing to you. We are committed to compensation transparency and to disclosing to you information that will assist you in evaluating potential conflicts of interest.

As a professional insurance producer, MMA and its subsidiaries facilitate the placement of insurance coverage on behalf of our clients. As an independent insurance agent, MMA may have authority to obligate an insurance company on behalf of our clients and as a result, we may be required to act within the scope of the authority granted to us under our contract with the insurer. In accordance with industry custom, we are compensated either through commissions that are calculated as a percentage of the insurance premiums charged by insurers, or fees agreed to with our clients.

MMA engages with clients on behalf of itself and in some cases as agent on behalf of its non-US affiliates with respect to the services we may provide. For a list of our non-US affiliates, please visit: <https://mma.marshmma.com/non-us-affiliates>. In those instances, MMA will bill and collect on behalf of the non-US Affiliates amounts payable to them for placements made by them on your behalf and remit to them any such amounts collected on their behalf;

MMA receives compensation through one or a combination of the following methods:

- **Retail Commissions** – A retail commission is paid to MMA by the insurer (or wholesale broker) as a percentage of the premium charged to the insured for the policy. The amount of commission may vary depending on several factors, including the type of insurance product sold and the insurer selected by the client.
- **Client Fees** – Some clients may negotiate a fee for MMA’s services in lieu of, or in addition to, retail commissions paid by insurance companies. Fee agreements are in writing, typically pursuant to a Client Service Agreement, which sets forth the services to be provided by MMA, the compensation to be paid to MMA, and the terms of MMA’s engagement. The fee may be collected in whole, or in part, through the crediting of retail commissions collected by MMA for the client’s placements.
- **Contingent Commissions** – Many insurers agree to pay contingent commissions to insurance producers who meet set goals for all or some of the policies the insurance producers place with the insurer during the current year. The set goals may include volume, profitability, retention and/or growth thresholds. Because the amount of contingent commission earned may vary depending on factors relating to an entire book of business over the course of a year, the amount of contingent commission attributable to any given policy typically will not be known at the time of placement.
- **Supplemental Commissions** – Certain insurers and wholesalers agree to pay supplemental commissions, which are based on an insurance producer’s performance during the prior year. Supplemental commissions are paid as a percentage of premium that is set at the beginning of the calendar year. This percentage remains fixed for all eligible policies written by the insurer during the ensuing year. Unlike contingent commissions, the amount of supplemental commission is known at the time of insurance placement. Like contingent commissions, they may be based on volume, profitability, retention and/or growth.
- **Wholesale Broking Commissions** – Sometimes MMA acts as a wholesale insurance broker. In these placements, MMA is engaged by a retail agent that has the direct relationship with the insured. As the wholesaler, MMA may have specialized expertise, access to surplus lines markets, or access to specialized insurance facilities that the retail agent does not have. In these transactions, the

insurer typically pays a commission that is divided between the retail and wholesale broker pursuant to arrangements made between them.

- **Medallion Program and Sponsorships** – Pursuant to MMA's Medallion Program, participating carriers sponsor educational programs, MMA events and other initiatives. Depending on their sponsorship levels, participating carriers are invited to attend meetings and events with MMA executives, have the opportunity to provide education and training to MMA colleagues and receive data reports from MMA. Insurers may also sponsor other national and regional programs and events.
- **Other Compensation & Sponsorships** – From time to time, MMA may be compensated by insurers for providing administrative services to clients on behalf of those insurers. Such amounts are typically calculated as a percentage of premium or are based on the number of insureds. Additionally, insurers may sponsor MMA training programs and events.

We will be pleased to provide you additional information about our compensation and information about alternative quotes upon your request. For more detailed information about the forms of compensation we receive please refer to our Marsh & McLennan Agency Compensation Guide at <https://www.marshmma.com/us/compensation-guide.html>.

MMA's aggregate liability arising out of or relating to any services on your account shall not exceed ten million dollars (\$10,000,000), and in no event shall we be liable for any indirect, special, incidental, consequential or punitive damages or for any lost profits or other economic loss arising out of or relating to such services. In addition, you agree to waive your right to a jury trial in any action or legal proceeding arising out of or relating to such services. The foregoing limitation of liability and jury waiver shall apply to the fullest extent permitted by law.

Rev: September 8, 2022

Minimum Earned & Deposit Premiums

Minimum Deposit

Minimum and deposit is the amount of premium due at inception. Although the policy is “ratable”, subject to adjustment based on a rate per exposure unit, under no circumstances will the annual earned premium be less than the minimum deposit premium. The policy may generate an additional premium on audit, but will not result in a return. If such a policy is cancelled mid-term, the earned premium is the greater of the annual minimum multiplied by the short rate or pro-rate factor, or the actual earned as determined by audit, subject to a short rate penalty if applicable.

Minimum Earned Premium

A minimum earned premium endorsement can be attached to either a flat charge policy or an adjustable policy. In either case, this amount is the least that will be retained by the carrier once the policy goes into effect. The amount retained would be the greater of the actual earned premium whether calculated on a pro-rate or short-rate basis, or the minimum earned premium.

Flat Cancellations

Surplus lines carriers typically do not allow flat cancellations. Once the policy is in effect, some premium will be earned, and the amount or percentage is outlined in the policy.

Direct Bill Policies

Notices you receive from your insurer regarding past due premiums or cancellation due to non-payment of premium shall be considered notice from Marsh & McLennan Agency LLC (MMA). As a matter of general practice, MMA does not provide notice of a potential lapse of coverage due to non-payment of premium to clients where coverage is written on a direct bill basis.

Proposal Disclaimer

Marsh & McLennan Agency LLC (“MMA”) thanks you for the opportunity to discuss your insurance and risk management program. No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.

We have evaluated your exposures to loss and developed this proposal based upon the information that you have provided to us. If you are aware of other areas of potential exposure that need to be evaluated or of additional information of which we should be aware prior to binding of coverage, please bring the other areas or additional information to our attention as soon as possible. Should any of your exposures change after coverage is bound, please notify us immediately.

Client Contracts

In the event that you enter into a contract that has specific insurance requirements, MMA will review your contract, but only in regards to the insurance requirements of the contract. The scope of our review will be to determine if the current insurance program which you have placed through our agency addresses the types and amounts of insurance coverage referenced by the contract. We will identify the significant insurance obligations and will provide a summary of the changes required in your current insurance program to meet the requirements of the contract. Upon your authorization, we will make the necessary changes in your insurance program. We will also be available to discuss any insurance requirements of the contract with your attorney, if desired.

In performing a contract review, MMA is not providing legal advice or a legal opinion concerning any portion of the contract. In addition, MMA is not undertaking to identify all potential liabilities that may arise under any such contracts. A contract review is provided solely for your information and should not be relied upon by third parties. Any descriptions of the insurance coverages are subject to the terms, conditions, exclusions, and other provisions of the contract and of the insurance policies and applicable regulations, rating rules or plans.

Credit Policy

Marsh & McLennan Agency (MMA) strives to offer the highest quality of service at the most competitive price possible. Accordingly, we have the following credit policy in place to assure that your coverage is not interrupted during the policy term.

All premiums are due on the invoice date or effective date of the insurance, whichever is later. Always submit the remittance copy with your payment. If a remittance copy is not submitted, we will apply the cash to the oldest items on the account. Also, credit memos that cannot be applied against the original invoice will be applied to the oldest items on the account unless you direct us otherwise.

If installment payments are available and provided under insurance policy terms, you will receive an invoice for each installment. Installments are due on the effective date of the invoice. MMA does not finance annual or installment premiums. However, should you wish to finance your premium, we can place your financing with an approved insurance premium finance company.

Your Account Manager maintains on-line access to all of your coverage, premium and accounting detail and will be able to answer most billing questions. Any other questions will be referred directly to our accounting department for immediate response. We thank you for your support and business.

Did you know Marsh & McLennan Agency offers two options to pay your bill online, using a valid checking/savings account or via credit card? Our system is safe and secure and is an easy tool to pay your invoices online.

PAY YOUR BILL ONLINE

Direct Link to Payment via Checking/Savings Account: <https://serviceapi.securfee.com/marshmma>

Direct Link to Payment via Credit Card: <https://serviceapi.securfee.com/marshmma>

FREQUENTLY ASKED QUESTIONS

- You can pay any invoice using a valid Checking or Savings account or Credit Card.
- Both payment gateways seamlessly integrate with our existing website and can securely accept multiple payment options.
- Credit Card payments require a Policy Number, Named Insured & Address
- There will be a 3.5% fee charged to the cardholder by Secure.
- Checking/Savings payments require a Client Code/Bill to Code, Invoice #, Invoice Amount, Email Address, Policy Number, Named Insured & Address
- There is no additional fee for payments via valid Checking/Savings Account.

AM Best Rating Scale

GUIDE TO BEST'S FINANCIAL STRENGTH RATINGS – (FSR)

A Best's Financial Strength Rating (FSR) is an independent opinion of an insurer's financial strength and ability to meet its ongoing insurance policy and contract obligations. An FSR is not assigned to specific insurance policies or contracts and does not address any other risk, including, but not limited to, an insurer's claims-payment policies or procedures; the ability of the insurer to dispute or deny claims payment on grounds of misrepresentation or fraud; or any specific liability contractually borne by the policy or contract holder. An FSR is not a recommendation to purchase, hold or terminate any insurance policy, contract or any other financial obligation issued by an insurer, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. In addition, an FSR may be displayed with a rating identifier, modifier or affiliation code that denotes a unique aspect of the opinion.

Best's Financial Strength Rating (FSR) Scale

Rating Categories	Rating Symbols	Rating Notches*	Category Definitions
Superior	A+	A++	Assigned to insurance companies that have, in our opinion, a superior ability to meet their ongoing insurance obligations.
Excellent	A	A-	Assigned to insurance companies that have, in our opinion, an excellent ability to meet their ongoing insurance obligations.
Good	B+	B++	Assigned to insurance companies that have, in our opinion, a good ability to meet their ongoing insurance obligations.
Fair	B	B-	Assigned to insurance companies that have, in our opinion, a fair ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Marginal	C+	C++	Assigned to insurance companies that have, in our opinion, a marginal ability to meet their ongoing insurance obligations. Financial strength is vulnerable to adverse changes in underwriting and economic conditions.
Weak	C	C-	Assigned to insurance companies that have, in our opinion, a weak ability to meet their ongoing insurance obligations. Financial strength is very vulnerable to adverse changes in underwriting and economic conditions.
Poor	D	-	Assigned to insurance companies that have, in our opinion, a poor ability to meet their ongoing insurance obligations. Financial strength is extremely vulnerable to adverse changes in underwriting and economic conditions.

* Each Best's Financial Strength Rating Category from "A+" to "C" includes a Rating Notch to reflect a gradation of financial strength within the category. A Rating Notch is expressed with either a second plus "+", or a minus "-".

Financial Strength Non-Rating Designations

Designation Symbols	Designation Definitions
E	Status assigned to insurers that are publicly placed, via court order into conservation or rehabilitation, or the international equivalent, or in the absence of a court order, clear regulatory action has been taken to delay or otherwise limit policyholder payments.
F	Status assigned to insurers that are publicly placed via court order into liquidation after a finding of insolvency, or the international equivalent.
S	Status assigned to rated insurance companies to suspend the outstanding FSR when sudden and significant events impact operations and rating implications cannot be evaluated due to a lack of timely or adequate information; or in cases where continued maintenance of the previously published rating opinion is in violation of evolving regulatory requirements.
NR	Status assigned to insurance companies that are not rated; may include previously rated insurance companies or insurance companies that have never been rated by AM Best.

Rating Disclosure – Use and Limitations

A Best's Credit Rating (BCR) is a forward-looking independent and objective opinion regarding an insurer's, issuer's or financial obligation's relative creditworthiness. The opinion represents a comprehensive analysis consisting of a quantitative and qualitative evaluation of balance sheet strength, operating performance, business profile and enterprise risk management or, where appropriate, the specific nature and details of a security. Because a BCR is a forward-looking opinion as of the date it is released, it cannot be considered as a fact or guarantee of future credit quality and therefore cannot be described as accurate or inaccurate. A BCR is a relative measure of risk that implies credit quality and is assigned using a scale with a defined population of categories and notches. Entities or obligations assigned the same BCR symbol developed using the same scale, should not be viewed as completely identical in terms of credit quality. Alternatively, they are alike in category (or notches within a category), but given there is a prescribed progression of categories (and notches) used in assigning the ratings of a much larger population of entities or obligations, the categories (notches) cannot mirror the precise subtleties of risk that are inherent within similarly rated entities or obligations. While a BCR reflects the opinion of A.M. Best Rating Services, Inc. (AM Best) of relative creditworthiness, it is not an indicator or predictor of defined impairment or default probability with respect to any specific insurer, issuer or financial obligation. A BCR is not investment advice, nor should it be construed as a consulting or advisory service, as such; it is not intended to be utilized as a recommendation to purchase, hold or terminate any insurance policy, contract, security or any other financial obligation, nor does it address the suitability of any particular policy or contract for a specific purpose or purchaser. Users of a BCR should not rely on it in making any investment decision; however, if used, the BCR must be considered as only one factor. Users must make their own evaluation of each investment decision. A BCR opinion is provided on an "as is" basis without any expressed or implied warranty. In addition, a BCR may be changed, suspended or withdrawn at any time for any reason at the sole discretion of AM Best.

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Version 121719

Client Authorization to Bind Coverage

LINES OF COVERAGE TO BIND

Coverage Description	Effective Date/Annual Premium
	3/1/2024 – 3/1/2025 Annual Premium:

(Please initial)

_____ Bind as Proposed

_____ Bind with the following changes

Authorized Signature _____

Title/Position _____

Date _____

No coverage is provided by this summary. Coverage conditions are highlights only and are subject to exclusions and additional terms as stated within the policy. Not all exclusions, terms and conditions are shown. If there are any differences between the policy and the proposal, the policy prevails. For details of coverage, refer to policy forms, terms and conditions.



Finance Committee Meeting

Meeting Date: 2/13/24 1:00 PM

Workers Compensation Administration Services

Department:	Finance – Risk Management Division
Presenter:	Donna Williams
Caption:	Motion to approve continued service with Workers Compensation Provider, CorVel, for renewal for Year 5.
Background:	Augusta issued RFP 20-123 for third party administration of Worker Compensation Services. Contract was awarded to Corvel in February 2020 for a three year term with two one year extensions.
Analysis:	Corvel has provided quality services in this area. We recommend exercising the second one year extension of this contract.
Financial Impact:	\$90,000 for contract term 3/1/24-2/28/25, no change from current term
Alternatives:	Consider new RFP for Worker Compensation Administration Services.
Recommendation:	Approve current vendor, Corvel, for 1 year renewal, year 5 of existing contract 3/1/24-2/28/25.

Funds are available in the following accounts: 621-015231

REVIEWED AND APPROVED BY:

Finance
Law
Administrator
Clerk of Commission

AMENDMENT #4

Item 2.

This Amendment is entered into and made effective February 29, 2024 by and between CorVel Enterprise Comp, Inc., (CorVel) and Augusta Georgia Consolidated Government (Customer).

Whereas, CorVel and Customer entered into the Services Agreement with an Effective Date of March 1, 2020 as amended (the "Agreement") pursuant to which CorVel agreed to provide Customer certain third party claims administration services and bundled managed care services.

Now, therefore, in consideration of the mutual promises and covenants contained herein, the parties agree to:

- **Amend Section 8A ("Term") Renewing the Agreement for the optional one (1) Year Renewal Term effective February 29, 2024 through February 28, 2025.**
- **Amend Section 1 Exhibit B ("Fees") of the Agreement adding Annual Fees for the Renewal Terms as follows:**

Fee Sheet 1 Year Optional Renewal Term – February 29, 2024 through February 28, 2025:
\$90,000.00

CONTRACT PAYMENTS:

Annual Fee February 29, 2024 to February 28, 2025 \$90,000.00*

****Claims Administration Flat Fee for Life of Contract assumes agreement of terms and delivery of CorVel's Managed Services in support of claims management to impact the overall cost of claims for Augusta. Should Carrier Insurance Fees apply, they will be billed from carrier to client.***

- **Amend Section 1 Exhibit B ("Fees") of the Agreement modifying the Pharmacy pricing during the Renewal Terms as follows:**

Pharmacy Solutions

Description of Services	Pricing
Retail Pharmacies	
Brand	AWP -10% + \$3.00 dispensing fee
Generic	AWP -35% + \$3.00 dispensing fee
Mail Order	
Brand	AWP -13% + \$1.50 dispensing fee
Generic	AWP -45% + \$1.50 dispensing fee

Signatures Next Page

This document contains confidential and proprietary information of the Parties and may not be disclosed or duplicated without the prior written consent of the Parties.

Augusta Georgia Consolidated Government Amendment 4 (1 Year Renewal Term with Annual Fees) to Services Agreement 1-24-24

All other terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, CorVel and Customer have caused this Amendment to be executed by the persons authorized to act in their respective names.

**AUGUSTA GEORGIA CONSOLIDATED
GOVERNMENT**

CORVEL ENTERPRISE COMP, INC.

By: _____

By: _____

Print Name: _____

Print Name: _____

Title: _____

Title: _____

Date Signed: _____

Date Signed: _____

This document contains confidential and proprietary information of the Parties and may not be disclosed or duplicated without the prior written consent of the Parties.

Augusta Georgia Consolidated Government Amendment 4 (1 Year Renewal Term with Annual Fees) to Services Agreement 1-24-24



Finance Committee Meeting

2/13/24 1:15 pm

Excess Workers' Compensation Insurance Renewal

Department:

Finance – Risk Management Division

Presenter:

Donna Williams

Caption:

Approve Excess Workers' Compensation Insurance with Safety National Casualty with statutory limits and a \$1,000,000 Self Insured Retention (SIR – otherwise known as the deductible) to cover all positions for a premium of \$546,894.

Background:

Excess Workers Compensation coverage (a per occurrence policy) has been purchased in the past as a measure to cap any potential catastrophic loss against Augusta-Richmond County. Augusta's current SIR is \$1,000,000. Stated simply each worker's compensation claim has the potential cost of \$1,000,000 to the government before the excess coverage policy takes effect.

Analysis:

Past claim experience, current claim exposure, and potential future cost were considered. It was determined that an SIR of \$1,000,000 is appropriate for our level of risk. Corvel, our Workers' Compensation Third Party Administrator, was requested to obtain quotes from A or A+ companies.

Corvel received the following quotes from the following companies:

Safety National Casualty

The following companies declined to provide an offer:

Midwest Employers

Arch

Financial Impact:

Maintaining the SIR of \$1,000,000 offers the greatest value to Augusta-Richmond County government.

Alternatives:

1) Increase current level of coverage to SIR of \$1,250,000 per claim at a cost of \$487,950 or

2) Drop coverage accepting full exposure/cost for any catastrophic job-related injury.

Recommendation: Approve coverage with Safety National Casualty (lowest premium quote) with SIR of \$1,000,000 for all positions with Statutory Limit for a deposit premium of \$546,894.

Funds are available in the following accounts: 621 01 5233 55.21110 WC/Risk Management

**REVIEWED AND
APPROVED BY:**

Finance
Law
Administrator
Clerk of Commission



Gallagher

Insurance | Risk Management | Consulting



Augusta-Richmond County

Risk Management & Insurance Executive Summary

1.24.2024

Presented by:

Scott Thomason | Regional Director, Public Sector

Matt Simmons | Senior Director, Public Sector

John Beckett | Client Account Executive



Gallagher

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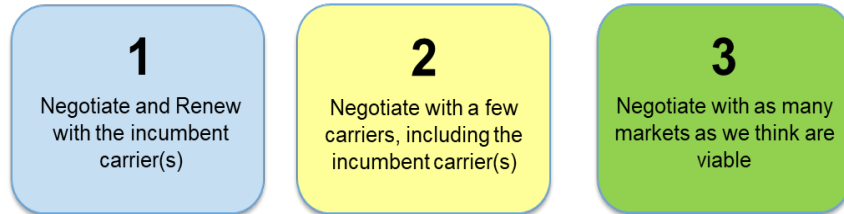
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Go To Market Strategy

Based on forecasted market conditions, your risk profile and your loss experience Gallagher has recommended a Go-To-Market strategy as follows:



Augusta-Richmond County

#	Line of Coverage	Incumbent Market	GTM Strategy	Notes/Comments
1	Excess Workers Comp	Safety National	3 Full Marketing	Full marketing effort in 2024 to evaluate market appetite
2				
3				

Typical Underwriting Information Requested:

1. Updated Exposures – Estimated Payroll by Class Code
2. Completed Carrier Applications
3. Qualitative Information / Risk Control Program Accomplishments

Marketing Results

1. **Safety National - Quoted**

- A. Provided multiple retention options of \$1M (Expiring), \$1.25M and \$1.5M

2. **Midwest Employers - Declined**

- A. Would require split retentions of \$1M/\$2.5M (All other employees/Police and Fire)
- B. Premium indication would not be competitive, starting at \$750k, for higher retentions

3. **Arch - Declined**

- A. Minimum retention would be at least \$2M
- B. Pricing would not be competitive

Renewal Options

Augusta Richmond				
Policy Effective Date:	3/1/2024	Broker:	Scott Thomason	
Policy Expiration Date:	3/1/2025	Issue Date:	1/23/2024	
Program Overview	Expiring	Option 1	Option 2	Option 3
Excess Workers Compensation				
Carrier	Safety National	Safety National	Safety National	Safety National
AM Best Rating	A++, XV	A++, XV	A++, XV	A++, XV
Estimated Payroll	\$134,621,738	\$141,352,826	\$141,352,826	\$141,352,826
Minimum Premium	90%	90%	90%	90%
Policy Term	1 Year	1 Year	1 Year	1 Year
Exposure Change		5.0%	5.0%	5.0%
Coverage Details				
Excess Workers Comp				
Workers Comp Limit	Statutory	Statutory	Statutory	Statutory
Employers Liability Limit	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Self-Insured Retention (SIR)	\$1,000,000	\$1,000,000	\$1,250,000	\$1,500,000
Police/Fire SIRs	\$1,000,000	\$1,000,000	\$1,250,000	\$1,500,000
Aggregate Attachment				
Aggregate Limit				
Premium+ Details				
Excess Workers Comp				
Annual (Deposit) Premium	\$510,620	\$546,894	\$487,950	\$388,720
Payroll Basis	Estimated	Estimated	Estimated	Estimated
Buffer Layer				
Annual (Deposit) Premium				
Payroll Basis				
Risk Management Services				
Risk Mgmt Fee	N/A	N/A	N/A	N/A
Total Premium+	\$510,620	\$546,894	\$487,950	\$388,720
Net Rate Change		2.10%	-9.44%	-28.87%
Ground up Loss Projection	\$3,919,320	\$4,202,449	\$4,202,449	\$4,202,449
Projected Excess Losses	-\$633,428	-\$303,118	-\$225,000	-\$153,132
Total Cost of Risk	\$3,796,512	\$4,446,225	\$4,465,399	\$4,438,037
Net TCOR Change		17.1%	17.6%	16.9%
Cost per \$100/Payroll	\$2.82	\$3.15	\$3.16	\$3.14

DISCLAIMER: Premium+ includes any surplus lines taxes and fees if applicable. Broker Compensation is included unless specified as a broker fee. This summary is an outline of certain terms and conditions of the insurance proposed and does not include all of the terms, coverages, exclusions, and conditions of the actual policy language. We make no warranties with respect to policy limits, deductibles, or coverage considerations of the carrier.



Finance Committee

Meeting Date: February 13, 2024

New Arena Intergovernmental Agreement

Department:	Finance
Presenter:	Timothy E. Schroer, Deputy Finance Director
Caption:	The New Arena Intergovernmental Agreement (IGA) describes the terms and responsibilities between Augusta and the Augusta Richmond County Coliseum Authority for the issuance of bond and construction of the New James Brown Arena (JBA).
Background:	In November 2023 the voters approved a new James Brown Arena to be funded by the issuance of General Obligation Bonds issued by Augusta. The Augusta Richmond County Coliseum Authority which operates the JBA has been charged with the construction of the new arena entertainment complex.
Analysis:	The attached IGA has been drafted in coordination with the Augusta Richmond County Coliseum Authority and is one of the integral documents related to the issuance of bonds and the construction of the new JBA. On January 30, 2024, the Augusta Richmond County Coliseum Authority reviewed and approved the IGA. Upon Augusta's approval and execution of the IGA, the Coliseum Authority will begin the process of procuring a general contractor.
Financial Impact:	N/A
Alternatives:	Revise terms of IGA
Recommendation:	Approve IGA as presented
Funds are available in the following accounts:	N/A
<u>REVIEWED AND APPROVED BY:</u>	N/A

AUGUSTA-RICHMOND COUNTY COLISEUM AUTHORITY

as Authority

And

AUGUSTA, GEORGIA

as Augusta

NEW ARENA INTERGOVERNMENTAL AGREEMENT

Dated as of _____, 2024

THIS NEW ARENA INTERGOVERNMENTAL AGREEMENT (“**Agreement**”) is made effective the ____ day of _____, 2024, by and between AUGUSTA, GEORGIA (“**Augusta**”) and AUGUSTA RICHMOND COUNTY COLISEUM AUTHORITY, a public corporation (“**Authority**”).

RECITALS

A. Augusta is a political subdivision of the State of Georgia and a consolidated city-county government pursuant to the laws of the State of Georgia.

B. Authority is a public corporation duly created and existing under the laws of the State of Georgia and owns and operates the Augusta Entertainment Complex.

C. Augusta and Authority are authorized under the Constitution and laws of the State of Georgia to enter into this Agreement for the purposes set forth herein.

D. The Augusta Entertainment Complex, located at 601 7th Street, Augusta, Georgia, is composed of the Bell Auditorium, the existing James Brown Arena, and the associated parking facilities (the “Entertainment Complex”).

E. Augusta determined that it is in the best interest of the citizens of Augusta and Richmond County that the Augusta Entertainment Complex be updated by renovating the Bell Auditorium and constructing a new arena to replace the existing James Brown Arena (the “New Arena”).

F. The Augusta-Richmond County Commission adopted a resolution to call for a referendum for the voters of Augusta-Richmond County to decide if a special 0.5 percent sales and use tax should be imposed to fund coliseum capital outlay projects and project costs pursuant to Part 3 of Article 3 of Chapter 8 of Title 49 of the Official Code of Georgia.

G. A referendum was conducted on November 7, 2023 and a majority of the votes cast were in favor of the imposition of a special 0.5 percent sales and use tax should be imposed to fund coliseum capital outlay projects and project costs.

H. Through its prior and current operation of the Augusta Entertainment Complex, Authority possesses unsurpassed experience and knowledge as to the requirements of the Augusta Entertainment Complex, local conditions as well as the resources needed to efficiently operate such facilities and agrees to provide such time, expertise, and knowledge as necessary to develop, design, construct and furnish the facilities contemplated under this Agreement and to operate the facilities in the future for the benefit of the citizens of Augusta.

I. Augusta desires to have Authority undertake and manage the construction of the New Arena, to accept title to the New Arena and to operate the New Arena in the future for the benefit of Augusta and its citizens.

J. Authority is willing to perform such services on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

Section 1.01. Definitions. The following words and terms have the meanings set forth below.

“Agreement” means this contract, including all Exhibits and any amendments hereto or thereto.

“Application for Payment” means the form acceptable to Authority that is to be used by the Contractor during the course of the Work in requesting payment from Authority and that is to be accompanied by such supporting documentation as is required by the Contract Documents.

“Architect” means the Design Professional engaged by Authority as the principal architect for the Improvements, to perform or provide the Design Services. The Architect shall be registered and qualified to practice under the laws of the State. The initial Architect is Perkins and Will.

“Architect Agreement” means the agreement between Authority and the Architect, that includes the performance of the Design Services, a copy of which is attached hereto as Exhibit “B” and incorporated herein by reference; provided, however, that such Architect Agreement may be amended from time to time without the consent or approval of any other party hereto so long as the Project Budget is not thereby increased.

“Arena Construction Sub-committee” means the subcommittee designated by the Authority to oversee the construction of the Project.

“Authorized Augusta Representative” means the person at the time designated to act on behalf of Augusta. The Authorized Augusta Representative shall be the individual serving as the Administrator of Augusta, Georgia.

“Authorized Authority Representative” means the person at the time designated to act on behalf of Authority by written certificate furnished to Augusta.

“Bond Documents” means the bond resolution and related documents adopted or approved by the Augusta-Richmond County Commission in connection with the issuance of the Series 2024 Bonds.

“Building Permits” means all of the building permits to be issued by all Governmental Authorities that are required for the construction of the Improvements. “Building Permit” shall mean any one of the Building Permits.

“Change Order” means a written order issued after the Effective Date, authorizing a change in the Design Services, the Development Services or the Work and approved by Authority.

“Commencement Date” means the date of commencement of the Work.

“Completion Date” means the date of completion of the acquisition, construction, and installation of the Project, as that date shall be certified as provided in Section 3.06 hereof.

“Construction Agreement” means any agreement between Authority and any Construction Party for the performance of any of the Work, including, without limitation, the Contractor Agreement.

“Construction Contracts” means contracts between Authority and any Construction Party, including the Contractor Agreement and the contracts between Authority and suppliers of materials and Equipment.

“Construction Costs” means all amounts payable by Authority to any Construction Party, and any other costs and expenses paid or incurred by or on behalf of Authority, for the performance of the Work. The Improvements shall be constructed under one agreement with the Contractor.

“Construction Documents” means the architectural and engineering documents setting forth the design for the Project prepared by the Design Professionals, approved by Authority (a copy of which are to be provided to Augusta), as and to the extent provided in Article IV hereof. Construction Documents include, but are not limited to, the Specifications, the Drawings, the Supplementary General Requirements, the General Requirements, and all Addenda (as such terms are defined in the Contractor Agreement).

“Construction Fund” means the separate account established by Augusta into which the proceeds from the sale of the Series 2024 Bonds and all interest earned thereon are deposited to pay or reimburse Construction Costs and Design Costs. The proceeds deposited into the Construction Fund may be further segregated into subaccounts as determined by Augusta, and such proceeds may be allocated or re-allocated between any such subaccounts from time to time as determined by Augusta.

“Construction Party” means the Contractor or any other Person that is engaged directly by Authority to perform any of the Work.

“Construction Phase” means the period of time beginning on the Commencement Date and ending on the date Final Completion occurs.

“Contract Documents” include the executed Contractor Agreement, , the Construction Documents, and all Change Orders (the term “Change Order” as used in this definition of Contract Documents shall have the meaning ascribed thereto in the Contractor Agreement).

“Contractor” means the Person that is selected through a competitive process as described in Article III.

“Contractor Agreement” means the contract to be entered into between Authority and the Contractor for construction of the Improvements, as may be amended from time to time without the consent or approval of Augusta so long as the Project Budget is not increased.

“Costs of the Project” means those costs and expenses in connection with the acquisition, construction, equipping, renovation and installation of the Project permitted by Article III hereof to be paid or reimbursed from proceeds of the Bonds.

“Design Agreement” means any agreement between Authority and any Design Professional for the performance of any Design Services, including, without limitation, the Architect Agreement.

“Design Costs” means the fees and reimbursable expenses payable to the Architect and all other Design Professionals, and any other costs and expenses paid or incurred by or on behalf of Authority, for the Design Services.

“Design Development Documents” consist of plans, elevations, and other drawings and outline specifications, approved by Authority, a copy of which shall be provided to Augusta as provided in Article IV hereof. These documents will fix and illustrate the size and character of the entire Project in its essentials

as to kinds of materials, type of structure, grade, elevations, sidewalks, utilities, roads, parking areas, mechanical and electrical systems, and such other work as may be required.

“Design Documents” means, collectively, the Schematic Design Documents, the Design Development Documents and the Construction Documents.

“Design Phase” means the phase during which the Design Documents are prepared by the Design Professionals and submitted to Authority as provided in Article III hereof, and which may overlap the Construction Phase during completion of the Design Documents.

“Design Professionals” means the Architect and any other architect or engineer or architectural or engineering firm selected by Authority (i) for the design and preparation of Contract Documents governing the construction of the Project, or (ii) for construction contract administration under the Contract Documents, or (iii) for both, all such services and the scope thereof to be set forth in the Design Professional Contract. The Design Professional is not an employee of Authority but is engaged or retained by it for the purpose of performing design and construction administration services for the Project. The term “Design Professional” includes architects, engineers, surveyors, designers, and other consultants retained by the Design Professional.

“Design Services” means those services to be provided by the Architect and other Design Professionals in connection with the design of the Improvements, the installation of furniture, fixtures and equipment therein, and the administration of the Project.

“Owner’s Representative” means the Owner’s Representative engaged by Authority that may perform all or some of the Development Services and serves as the Authorized Authority Representative. The initial Owner’s Representative shall be selected by Authority pursuant to Article III.

“Development Costs” means all costs and expenses of any kind or nature whatsoever (other than Design Costs and Construction Costs) paid or incurred for or in connection with the Development Services, including, but not limited to, any costs or expenses paid to the Owner’s Representative.

“Development Services” means the services required to be performed or procured by Authority pursuant to the terms and provisions of this Agreement, other than the Design Services and the Work, as described in Article IV hereof.

“Effective Date” means the later of the following: (1) the date this Agreement is executed by Augusta, as indicated below its execution hereon; or (2) the date this Agreement is executed by Authority, as indicated below its execution hereon.

“Expiration Date” means the date on which the services to be provided under this Agreement are complete as determined pursuant to Section 3.06 or the termination of this Agreement, whichever occurs sooner.

“Equipment” means the equipment, machinery and furnishings comprising a portion of the Project.

“Event of Default” means any event specified in Article VIII of this Agreement.

“Favorable Opinion of Bond Counsel” means, with respect to any action taken which requires such opinion, or unqualified opinion of Butler Snow LLP or such other independent counsel acceptable to

Augusta to the effect that such action will not adversely affect the tax-exempt status of the Bonds for federal income tax purposes.

“Final Completion” shall mean (i) the occurrence of all of the requirements for “Final Completion” set forth in in the Contractor Agreement and (ii) the installation of all furniture, fixtures and equipment in the Improvements as required by the Construction Documents.

“Force Majeure” means (a) any strike, lockout, or labor dispute not caused by the negligence non-performing party or breach of a labor contract by the non-performing party; (b) the inability to obtain labor or materials not resulting in any way from the negligence or any act or omission of the non-performing party; (c) an Act of God; (d) governmental restrictions; regulations or controls not existing as of the date of this Agreement; (e), enemy or hostile governmental action; (f) civil commotion, insurrection, sabotage, fire or other casualty not resulting from the non-performing party’s negligence or other actions; (g) any form of regional, national or global pandemic that prevents or otherwise prohibits performance; or, (h) any other condition beyond the reasonable control of the responsible party.

“Force Majeure Delay” means any period of time during which the commencement, prosecution or completion of the development, design or construction of the Project, or any aspect thereof, or the performance of the Design Services, the Development Services or the Work, or any of Authority’s other duties and obligations under this Agreement, is delayed by events of Force Majeure, but only to the extent that such delay impacts the critical path of the Design Services, the Development Services or the Work, or any of Authority’s other duties and obligations under this Agreement.

“Governing Body” means, in the case of Authority, the duly appointed members of the Authority and, in the case of Augusta, the Augusta-Richmond County Commission.

“Governmental Authority” means any federal, state, county or municipal governmental authority, including all executive, legislative, judicial and administrative bodies thereof.

“Governmental Requirement” means all federal, state, county, municipal and other governmental constitutions, statutes, ordinances, codes, regulations, resolutions, rules, requirements and directives promulgated by a Governmental Authority and applicable to the Project or the performance by Authority of its duties and obligations under this Agreement.

“Improvements” means those certain facilities and improvements constituting part of the Project and not constituting part of the Equipment, which are or shall be located on the Premises.

“Material Completion” shall mean the date of substantial completion of the Project as provided in Section 3.06.

“Permits” means any and all certificates, licenses, permits, authorizations, consents and other approvals by the applicable Governmental Authority having jurisdiction in such matters required to be obtained, issued, granted or received for the performance of the Work, specifically including, without limitation, the Building Permits, but specifically excluding any rezoning, zoning variance or similar approval, if required.

“Person” means any individual, firm, corporation, partnership, trust, unincorporated business association or Governmental Authority.

“Plans and Specifications” means the detailed plans and specifications for the construction of the Project prepared by the Architect or by architects and engineers acceptable to the Architect, as amended from time to time by Authority, a copy of which is or will be on file with Authority and Augusta.

“Program Management Agreement” means the Program Management Agreement between Authority and the Owner’s Representative, which may be amended from time to time without the consent or approval of any other party hereto so long as the Project Budget is not increased.

“Project” means the facility to be developed, designed and constructed pursuant to this Agreement, which includes the Building (the Building consisting of an arena with a minimum seating capacity of 10,500 seats, 12 premium seating seats, combined back of house areas servicing the new arena and the existing Bell Auditorium, and having an exterior and interior design consistent with the renderings provided to Augusta and as shown on Authority’s www.newaugustarena.com website) and the completion of the renovations to the Bell Auditorium, and which shall include, as the context shall require, the Site, the Improvements, the Equipment, together with all furniture, fixtures and related items installed therein.

“Project Budget” means the detailed estimate of the Project Costs developed by or at the direction of Authority. Modifications to the Project Budget which do not exceed the total of the net proceeds from the sale of the Series 2024 Bonds deposited into the Construction Fund plus any interest earned on such proceeds are not considered an increase in the Project Budget.

“Project Costs” means the sum of (i) all Design Costs, (ii) all Development Costs and (iii) the Construction Costs, including all claims, losses, liens, judgments, settlements, and costs and expenses of litigation, including attorney’s fees, arising from or with respect to the Work pertaining to any part of the Project.

“Project Schedule” means the schedules for all material activities required by this Agreement, required to construct the Improvements and to install all furniture, fixtures and equipment therein and the time periods during which such services are estimated to be completed.

“Request for Payment” means a request by Authority for payment of Project Costs.

“Schematic Design Documents” means the schematic design plans and elevations showing the scale and relationship of Project or its Components, approved by Authority, a copy of which shall be submitted to the Authorized Augusta Representative. Schematic Design Documents consist of written and graphic (drawings, sketches, etc.) presentations that will enable Authority to determine if the intent of the Project is being addressed and shall consist of at least the following: (a) Schematic Site Plan; (b) Floor Plans; and (c) Elevations.

“Series 2024 Bonds” means the general obligation bonds designated “Augusta, Georgia General Obligation Bonds (New Arena Project), Series 2024,” dated the date of their issuance and delivery in the principal amount of \$250,000,000.00 to be issued by Augusta, and any bonds issued in substitution or exchange therefor.

“Site” means the parcel of land upon which the improvements are to be constructed and more fully described in Exhibit “A” attached hereto, which, by this reference thereto, is incorporated herein.

“State” means the State of Georgia.

“Supplemental Instruction” means a minor change, including minor changes necessary to clarify a specification or resolve a technical execution problem, during the Construction Phase, involving or resulting in no change in the Project Budget.

“Surety Bonds” means the performance and payment bonds required to be obtained by Contractor pursuant to the general conditions of the Construction Contract in the Contractor Agreement.

“Work” means all labor, materials, and services necessary to produce the construction of the Project in accordance with the Contract Documents, including the entire construction or the various separately identifiable parts thereof. Work includes and is the result of performing or providing all labor, services, and documentation necessary to produce such construction, and furnishing, installing, and incorporating all equipment, fixtures, and supplies into such construction, all as required by the Contract Documents.

Section 1.02. Construction of Certain Terms. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

(1) The use of the masculine, feminine, or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine, or neuter gender, as appropriate.

(2) “This Agreement” means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements of sale supplemental hereto entered into pursuant to the applicable provisions hereof.

(3) All references in this instrument to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument. The words “herein,” “hereof,” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, or other subdivision.

(4) The terms defined in this Article shall have the meaning assigned to them in this Article and include the plural as well as the singular.

(5) All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles as promulgated by the American Institute of Certified Public Accountants, on and as of the date of this instrument.

Section 1.03. Titles and Headings. The titles of the articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 1.04. Contents of Certificates or Opinions. Every certificate or opinion with respect to the compliance with a condition or covenant provided for in this Agreement shall include: (i) a statement that the person or persons making or giving such certificate or opinion have read such covenant or condition and the definitions herein relating thereto, (ii) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based, (iii) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such

covenant or condition has been complied with, and (iv) a statement as to whether, in the opinion of the signers, such condition or covenant has been complied with.

Any such certificate or opinion made or given by an official of Authority or Augusta may be based, insofar as it relates to legal or accounting matters, upon a certificate or an opinion of counsel or an accountant, which certificate or opinion has been given only after due inquiry of the relevant facts and circumstances, unless such official knows that the certificate or opinion with respect to the matters upon which his certificate or opinion may be based as aforesaid is erroneous or in the exercise of reasonable care should have known that the same was erroneous. Any such certificate or opinion made or given by counsel or an accountant may be based (insofar as it relates to factual matters with respect to information that is in the possession of an official of Authority or Augusta or any third party) upon the certificate or opinion of or representations by an official of Authority or Augusta or any third party on whom counsel or an accountant could reasonably rely unless such counsel or such accountant knows that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion may be based as aforesaid are erroneous or in the exercise of reasonable care should have known that the same were erroneous. The same official of Authority or Augusta, or the same counsel or accountant, as the case may be, need not certify or opine to all of the matters required to be certified or opined under any provision of this Agreement, but different officials, counsel, or accountants may certify or opine to different matters, respectively.

Section 1.05. Exhibits. The following Exhibits are attached to, and incorporated in, this Agreement:

Exhibit A – Site Description

Exhibit B – Form of Requisition

ARTICLE II

REPRESENTATIONS AND UNDERTAKINGS

Section 2.01. Representations. Each party represents to the other parties hereto that it has the full and complete right, power and authority to enter into this Agreement and perform its duties and obligations under this Agreement in accordance with the terms and conditions of this Agreement.

ARTICLE III

THE PROJECT; ISSUANCE OF THE BONDS; PROJECT FUND

Section 3.01. Selection of Professionals, Agreement to Acquire, Construct, and Install the Project.

Promptly following the issuance and sale of the Series 2024 Bonds, Authority will acquire and construct the Improvements and acquire and install thereon the Equipment pursuant to this Article III. If the Project should be titled at any point in Augusta's name during the construction period, upon completion, the Project will be conveyed to Authority. Authority agrees that its undertakings to acquire and construct the Project shall comply the Georgia Public Works statutes and all other legal requirements applicable to Authority.

In connection with the construction of the Improvements, Augusta and Authority agree to the following:

1. Authority shall engage/re-engage Perkins and Will to serve as the Architect.
2. Subject to conditions contained herein, Authority is authorized to select and engage an Owner's Representative which possesses the requisite expertise in the construction of similar facilities as contemplated by this Agreement.
3. Authority and the Owner's Representative shall develop and disseminate for response, a request for proposals/request for qualifications for the selection of the Contractor which shall enter into the Contractor Agreement. The selection of the Contractor shall be conducted in a manner consistent with all laws applicable to Authority. The Contractor Agreement shall specify the levels of minority participation, the utilization of disadvantaged businesses and local purchasing requirements required to be met by the Contractor, if any.

The selection of the Contractor shall be made by a majority of Authority based on the recommendation of Authority's Arena Construction Sub-committee. Augusta's Finance Director or designee shall serve as an ex-officio, non-voting member of the selection committee.

Authority covenants to cause the Project to be constructed without material deviation from the Plans and Specifications and the Construction Contracts and warrants that this will result in facilities suitable for Authority's intended uses and which will include all necessary or appropriate real and personal property needed for the Project.

Authority agrees that Augusta and its duly authorized agents shall have access to the Project as may reasonably be necessary to ensure that Authority is performing its obligations hereunder. Augusta and its

duly authorized agents shall also be permitted, at all reasonable times, to examine the books, records, reports and other papers of Authority with respect to the Project.

Authority agrees to complete the acquisition, construction, and installation of the Project as promptly as practicable and with all reasonable dispatch after the date of issuance and sale of the Series 2024 Bonds.

Section 3.02. Agreement to Issue the Bonds; Application of Proceeds. Augusta agrees that promptly following the execution and delivery this Agreement, it will issue the Series 2024 Bonds for the purpose of financing the Costs of the Project and Authority agrees to cooperate with Augusta in the issuance of the bonds by timely executing any documents reasonably requested by Augusta. Augusta covenants and agrees that it will promptly deposit the proceeds from the sale of the Series 2024 Bonds in the Construction Fund.

Section 3.03. Application of Moneys in the Construction Fund. Augusta shall in the Bond Documents authorize and direct the use the moneys in the Construction Fund for the following purposes (but for no other purposes):

- (a) payment of Project Costs, including any costs and expenses relating to the Project that would constitute Costs of the Project, Design Costs and Development Costs; and
- (b) all proceeds of the Series 2024 Bonds remaining in the Construction Fund on the Completion Date, less amounts retained or set aside to meet costs not then due and payable or that are being contested, may be used for such purposes permitted by O.C.G.A. §48-8-145 *et. seq.*, subject to Authority and/or Augusta receiving a Favorable Opinion of Bond Counsel.

Section 3.04. Disbursements from the Construction Fund. All disbursements from the Construction Fund shall be made upon requisition directed to the Authorized Augusta Representative:

- (a) A requisition for payment shall be made in the form attached as Exhibit B.
- (b) Any requisition for payment shall be signed by the Chair of the Authority and the Authorized Authority Representative, and be accompanied by such supporting documentation as may be reasonably requested by the Authorized Augusta Representative or the Augusta Finance Department. In the event that a requisition is for payment due under the Construction Contracts, then such requisition shall also be signed by the appropriate contractor under the Construction Contracts, and the Architect. Requisitions for payment under the Construction Contracts shall also be accompanied by a cost breakdown showing the percentage of completion of each line item of the Project Budget and the accuracy of the cost breakdown shall be certified by Authority and the appropriate contractor under the Construction Contracts. The completed construction on the Project shall be reviewed (at the time each requisition is submitted) by the Architect, and the Architect shall certify to Augusta as to (A) the cost of completed construction, (B) the percentage of completion, and (C) compliance with the Plans and Specifications.

Section 3.05. Obligation of the Parties to Cooperate in Furnishing Documents. Authority agrees to furnish to Augusta the documents referred to in Section 3.04 hereof, as well as any other documents which may be reasonably requested by Augusta to effect payments out of the Construction Fund.

Section 3.06. Establishment of Completion Date. The Completion Date shall be evidenced by a certificate of substantial completion listing the items to be completed or corrected, if any, and the amounts to be withheld therefor, signed by the Authorized Authority Representative and the Authorized Augusta

Representative and approved by the Architect stating that, except for amounts retained by Augusta for Costs of the Project not then due and payable, (i) the acquisition, construction, and installation of the Project have been substantially completed without material deviation from the Plans and Specifications and all labor, services, materials, and supplies used in such acquisition, construction, and installation have been paid or provided for, (ii) all other facilities necessary in connection with the acquisition, construction, and installation of the Project have been constructed, acquired, and installed without material deviation from the Plans and Specifications and all costs and expenses incurred in connection therewith have been paid or provided for, and (iii) certificates of occupancy for the Improvements have been issued by appropriate local governmental authorities. Notwithstanding the foregoing, such certificates may state that they are given without prejudice to any rights against third parties that exist at the date of such certificates or that may subsequently come into being. The Architect shall certify the matter covered by clauses (i) and (ii) above. It shall be the duty of Authority to cause the certificates contemplated by this Section 3.06 to be furnished as soon as the acquisition, construction, and installation of the Project shall have been substantially completed.

Section 3.07. Augusta Not Required to Pay Project Costs in Event Construction Fund Insufficient. Authority warrants that the moneys which will be paid into the Construction Fund and which, under the provisions of this Agreement, will be available for payment of the Project Costs will be sufficient to pay all of the Project Costs that will be incurred in that connection and Authority acknowledges that in the event that the moneys in the Construction Fund for payment of the Project Costs are not sufficient to pay the costs thereof, Augusta shall not be required to contribute additional funds for the Project.

Section 3.08. Authorized Augusta and Authority Representatives and Successors. Augusta and Authority, respectively, shall designate, in the manner prescribed in Section 1.01 hereof, the Authorized Augusta Representative and the Authorized Authority Representative. In the event that any person so designated and his or her alternate or alternates, if any, should become unavailable or unable to take any action or make any certificate provided for or required in this Agreement, a successor shall be appointed in the same manner.

Section 3.09. Enforcement of Remedies against Contractors and Subcontractors and their Sureties and Against Manufacturers. Authority covenants that it will take, or cause to be taken, such action and institute, or cause to be instituted, such proceedings as shall be necessary to cause and require all contractors and subcontractors and material suppliers to complete their contracts diligently in accordance with the terms of such contracts, including, without limitation, the correction of any defective work, with all expenses incurred by Authority in connection with the performance of its obligations under this Section 3.09 to be considered part of the Costs of the Project. Authority agrees that Augusta may, from time to time, in its own name, or in the name of Authority, take such action as may be necessary or advisable, as determined by Augusta, to compel Authority to take such action as necessary to ensure the construction of the Project in accordance with the terms of the Construction Contracts and the Plans and Specifications, and to ensure the performance by Authority of all covenants and obligations of Authority under this Agreement, with all costs and expenses incurred by Augusta in connection therewith to be considered as part of the Costs of the Project referred to in Section 3.03 hereof. All amounts recovered by way of penalties, damages, whether liquidated or actual, refunds, adjustments, or otherwise in connection with the foregoing prior to the Completion Date, less any unreimbursed legal expenses incurred to collect the same, shall be paid into the Construction Fund and, after the Completion Date, shall be disbursed pursuant to the provisions of Section 3.03(b) of this Agreement.

Section 3.10. Investment of Construction Fund. Subject to provisions of the Bond Documents, any moneys held as a part of the Construction Fund shall be invested or reinvested in such legally permitted investments as may be designated or determined by Augusta. The investments so purchased shall be held by Augusta and shall be deemed at all times a part of the Construction Fund, and the interest accruing

thereon and any profit realized therefrom shall be credited to the Construction Fund, and any losses resulting from such investments shall be charged to the Construction Fund and paid by Augusta.

ARTICLE IV DEVELOPMENT SERVICES; NATURE OF THE ENGAGEMENT

Section 4.01. Term. The term of this Agreement shall commence on the Effective Date and shall continue until the Expiration Date.

Section 4.02. Performance. Authority hereby covenants and agrees to cause the Development Services, the Design Services and the Work to be performed in a timely and efficient manner.

Section 4.03. Relationship. In the performance of this Agreement, Authority will be acting in the capacity of an independent contractor.

Section 4.04. Non-Interference. Augusta shall not take any action or fail to take any action which will cause Authority to be in default, or which, after the giving of notice or the passage of time, or both, could constitute a default, under any Contract Document; and in the event thereof, Augusta shall take appropriate corrective action to assist Authority to prevent or cure, as the case may be, such default.

Section 4.05. Design Services and Development Services. Commencing on the Effective Date of this Agreement, Authority agrees to procure the Design Services and Development Services for the Project. Augusta acknowledges that Authority shall enter into the Program Management Agreement to satisfy in part its obligation to procure the Development Services.

Section 4.06. Preparation and Submission of Design Documents. For the purposes of procuring the Design Services, Authority shall enter into the Architect Agreement. Authority agrees to administer and enforce all applicable provisions of the Architect Agreement in the best interest of the parties hereto and the Project so that all Design Services are performed in accordance with sound principles of architectural and engineering design and without calculated risks that are inconsistent with sound principles of architectural and engineering design. Nothing in this Agreement or in any Contract Documents shall create any contract rights against Augusta by the Architect or any other Design Professional.

Section 4.07. Project Budget, Project Schedule, Design Development Documents and Construction Document. Within a reasonable time after the Effective Date, Authority shall direct the Design Professionals to prepare and develop the Design Development Documents, Construction Documents, the Project Schedule, and the Project Budget, and provide a copy of such documents along with any supporting documents and notice to proceed to the Authorized Augusta Representative and the Augusta Finance Department.

Section 4.08. Ownership and Use of Design Documents. The Design Documents are instruments of service of the Design Professionals. Upon completion of the Project or upon the earlier request of Augusta and upon payment of all sums due to the Architect, Authority will cause to be delivered to Augusta reproducible copies, together with a computer set of all documents and CAD disks reasonably compatible with Augusta's software, prepared by, under or through the Architect.

Section 4.09. Permits. Except where prohibited by law, Authority or the Contractor shall be the applicant for any and all required Permits and the Building Permits. Authority or the Contractor shall coordinate and manage all professional and technical services required in connection with the preparation and filing of applications for and obtaining all required Permits and the Building Permits. Authority or the Contractor shall be responsible for diligently preparing and filing all applications for, and pursuing and

obtaining, the Permits and the Building Permits. Authority shall use all reasonable efforts to obtain the Building Permits and any other Permits required to commence construction of the Improvements at a time consistent with the Project Schedule. If, despite such efforts, the Building Permits or any other Permits for the Project required to be obtained before commencement of construction have not been obtained or could not have been obtained at a time consistent with the Project Schedule, then Authority shall diligently proceed to exercise reasonable efforts to obtain the Building Permits and any such other Permits as promptly as possible, and the Project Schedule shall be adjusted to reflect all additional time which will be required for the performance of any of the duties or obligations of Authority under this Agreement as a result of the delay in obtaining the Building Permits or Permits, as the case may be.

Section 4.10. Project Schedule. To enable the Project to be planned, scheduled and prosecuted in an orderly and expeditious manner, Authority, pursuant to Section 4.07, shall prepare (and provide a copy to the Authorized Augusta Representative) a Project Schedule which is consistent with the Design Documents at each stage of their preparation. In addition to adjustments to the Project Schedule otherwise provided for by this Agreement, the Project Schedule may be changed from time to time by Authority.

ARTICLE V CONSTRUCTION PHASE

Section 5.01. General.

Authority shall engage the Contractor and shall enter into the Contractor Agreement with the Contractor. The Improvements shall be constructed by the Contractor pursuant to the Contractor Agreement and the Design Documents, under the oversight of Authority as monitored and reviewed by the Architect, in accordance with the terms and provisions of this Agreement. The procurement and installation of furniture, fixtures and equipment in the Improvements shall be performed by one or more Construction Parties pursuant to one or more Construction Agreements, under the oversight of Authority, in accordance with the terms and provisions of this Agreement. Authority agrees to administer and enforce all applicable provisions of the Contractor Agreement and any other Construction Agreements that are in the best interest of the parties hereto and the Project and in the enforcement thereof, to require the Architect to perform his contract administration duties in review of the Work and report whether it is performed in a workmanlike manner and whether all materials are new materials (which may include materials having recycled content) in accordance with the Design Documents.

Section 5.02. Performance of the Work. Authority shall have the responsibility and obligation to engage the Contractor for construction of the Improvements, and one or more Construction Parties for procurement and installation of furniture, fixtures and equipment in the Improvements.

1. Construction Schedule. Authority shall prepare, or cause to be prepared, a construction schedule setting forth in detail the various tasks for construction and completion of the construction of the Improvements and for installation of furniture, fixtures and equipment in the Improvements. Throughout the Construction Phase, Authority shall keep the Authorized Augusta Representative informed of the status of adherence to the Project Schedule, not less frequently than monthly.

2. Commencement of the Work.

- (i) After Authority has provided the Authorized Augusta Representative copies of the Design Development Documents, the Project Budget, and the Project Schedule, Authority shall issue to the Contractor a notice to proceed under the Contractor Agreement.

- (ii) Time being of the essence of this Article 5, and subject to the terms and provisions of this Agreement, Authority shall use its best efforts to cause the Contractor and each other Construction Party to prosecute the Work diligently, using such means and methods of construction as will maintain the progress of the Work substantially in accordance with the Project Schedule, and to cause Material Completion in accordance with the requirements of the Contract Documents not later than the date on which Material Completion is required to be achieved as set forth in the general conditions of the Construction Contract in the Contractor Agreement.

3. Contractor; Subcontractors.

- (i) Augusta will not participate in the selection of any successor Contractor to the initial Contractor; provided, however, that Authority shall follow the same procedure as utilized for the selection of the initial Contractor.
- (ii) Nothing in this Agreement or in any Contract Document shall create any contract rights against Augusta by the Contractor, any other Construction Party or any subcontractor.

4. Surety Bonds. Prior to the Commencement Date, Authority shall cause the Contractor to deliver to Augusta copies of the Surety Bonds. Augusta shall be named by the Contractor and the Surety as an additional obligee on all payment and performance bonds provided pursuant to the Contractor Agreement.

5. Inspection.

- (i) Augusta shall have access to the Site during all working hours, and shall have the right to observe the Work and all facilities where the Work or any part thereof is being fabricated or stored; provided, however, that Augusta shall not delay, hinder or interfere with the performance of the Work.
- (ii) The Architect shall have the right to reject materials and workmanship which are defective or not in conformance with the Contract Documents.

6. Change Orders.

- (i) In the event Authority desires to make a change in the Work that will not result in an increase in the Project Budget and will not have a material aesthetic or functional impact on the Improvements, Authority shall have the right to issue Supplemental Instructions ordering minor changes in the Work without the requirement of any consent or approval by Augusta.
- (ii) No changes shall be requested by Augusta in the quantity or character of the Design Services, the Development Services or the Work (including, without limitation, all changes having a material aesthetic or functional impact on the Improvements).
- (iii) The Contractor shall not start work on any change in the Work requiring an increase in the Project Budget or results in a material change in the Project until a Change Order or proposed Change Order setting forth the adjustments is approved by Authority
- (iv) Upon approval of any Change Order increasing the Project Costs, Authority shall require the Contractor to ensure that the Surety Bonds are increased in an amount reflecting the net increase in the Project Costs.

- (v) Each proposed Change Order shall be submitted by Authority and Authority shall approve or disapprove any requested Change Order within a reasonable time without the necessity of Augusta's consent.

ARTICLE VI

ADDITIONAL COVENANTS

Section 6.01. No Warranty of Condition or Suitability by Authority. AUGUSTA MAKES NO WARRANTY, EITHER EXPRESS OR IMPLIED, AS TO THE HABITABILITY, MERCHANTABILITY, CONDITION, OR WORKMANSHIP OF ANY PART OF THE PROJECT OR THAT IT WILL BE SUITABLE FOR AUTHORITY'S PURPOSES OR NEEDS.

Section 6.02. Tax Covenants. Augusta and Authority further covenant and agree that each shall comply with the representations and certifications it made in its tax and non-arbitrage certificate dated the date of issuance and delivery of the Series 2024 Bonds and that it shall take no action nor omit to take any action that would cause such representations and certifications to be untrue.

ARTICLE VII

ASSIGNMENT

Section 7.01. No Assignment. This Agreement may not be sold, assigned, or encumbered by either party without the advanced written consent of the other party.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.01. Events of Default Defined. The following shall be "Events of Default" under this Agreement, and the terms "Event of Default" or "Default" shall mean, whenever they are used in this Agreement, any one or more of the following events:

1. Default by Authority. Authority shall be in default under this Agreement if Authority fails to perform any of its material duties or obligations under this Agreement and does not cure or remedy such failure to perform within thirty (30) days after receipt of written notice from Augusta with respect thereto; provided, however, that, if such failure to perform shall necessitate longer to cure than such thirty (30) day period, then such cure period shall be extended for such period of time as is reasonably necessary to cure such failure to perform if Authority commences such cure within thirty (30) days after receipt of written notice from Augusta and thereafter proceeds diligently and in good faith to cure. Upon the occurrence of a default by Authority under this Agreement, Augusta may pursue, separately or concurrently or in a combination, without further notice or demand whatsoever, an action against Authority to compel performance of its obligations hereunder. The parties hereto acknowledge that there is no other adequate remedy at law or in equity for a default by Authority under this Agreement.

2. Default by Augusta. Augusta shall be in default under this Agreement if Augusta fails to perform any of its material duties or obligations under this Agreement and does not cure or remedy such failure to perform within thirty (30) days after receipt of written notice from Authority with respect thereto; provided, however, that, if such failure to perform shall necessitate longer to cure than such thirty (30) day period, then such cure period shall be extended for such period of time as is reasonably necessary to cure such

failure to perform if Augusta commences such cure within thirty (30) days after receipt of written notice from Authority and thereafter proceeds diligently and in good faith to cure. Upon the occurrence of a default by Augusta under this Agreement, Authority may, without further notice or demand whatsoever, pursue an action against Augusta to compel performance of its obligations hereunder. The parties hereto acknowledge that there is no other adequate remedy at law or in equity for a default by Augusta under this Agreement.

3. Terminating Events; Termination. This Agreement shall be terminated upon the happening of any of the following events pursuant to the provisions described below:

- (i) Any party defaults under this Agreement and a non-defaulting party elects to terminate this Agreement by giving the other parties not less than ten (10) business days prior written notice thereof..
- (ii) The giving of not less than ten (10) business days prior written notice from any party to the other parties in the event (A) any of the following occur: (i) delay that increases the Project Budget; (ii) any delay that increases the Project Budget; (iii) the approval of a Change Order that increases the Project Budget; or (iv) an event of casualty or fire that increases Project Budget in excess of the insurance proceeds available to pay costs in connection therewith, and (B) further funding cannot be found in a timely manner by Augusta to fund the increase in the Project Costs.
- (iii) The giving of written notice from Authority in the event the Contractor terminates the Contractor Agreement pursuant to the general conditions of the Construction Contract in the Contractor Agreement due to events arising from default by Augusta hereunder.

Upon the occurrence of any of the terminating events in this Section 8.01(3), then:

- 1) Authority shall implement a Project termination program; and
- 2) Augusta shall pay to Authority the cost of all services, materials and supplies, if any, which may have been ordered by Authority as a result of its obligations arising under this Agreement, including the reasonable costs incurred by Authority to terminate any contracts which may have been entered into by Authority in accordance with the terms of this Agreement, but which may not have been charged to or paid by Authority and reimbursed under this Agreement at the time of expiration or termination.

4. Authority's Obligations. Upon early termination of this Agreement, Authority shall promptly:

- (i) Subject to Authority's obtaining any consent of any third party required and upon request by Augusta, deliver to Augusta or such other person as Augusta shall designate all materials, supplies, equipment, keys, contracts and documents and all books of account and records maintained pursuant to this Agreement pertaining to this Agreement and the Project.
- (ii) Subject to Authority's obtaining any consent of any third party required, assign all existing contracts relating to the Project to Augusta or such other person or entity as Augusta shall designate.
- (iii) Furnish all such information, take all such other action, and cooperate with Augusta as Augusta shall reasonably require in order to effectuate an orderly and systematic termination of the Development Services and Authority's other duties, obligations and activities hereunder.

- (iv) Unless the termination of this Agreement arises out of a default by Authority under this Agreement, then upon any termination of this Agreement, Authority may terminate the Architect Agreement, the Program Management Agreement, and the Contractor Agreement.

Section 8.02. Effect of Force Majeure Delay. If one or more events of Force Majeure Delay occur and the Force Majeure Delay will increase the Project Budget-and if further funding cannot be found in a timely manner by Augusta in order to pay for such increase in Project Costs, then any party shall have the right to terminate this Agreement in accordance with Subsection 8.01 hereof.

ARTICLE IX MISCELLANEOUS

Section 9.01. Notices. All notices, certificates, and other communications provided for hereunder shall be in writing and sent (a) by registered or certified mail with return receipt requested (postage prepaid), or (b) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent to any party hereto at the following addresses or to such other address as any party hereto shall have specified in writing to the other party:

If to Authority:

601 7th Street
Augusta, Georgia 30901
Attention: Chairman

If to Augusta:

Augusta, Georgia
Suite 910
535 Telfair Street
Augusta, Georgia 30901
Attention: Administrator

And

General Counsel
Building 3000
535 Telfair Street
Augusta, Georgia 30901

Notices under this Section 9.01 will be deemed given only when actually received.

Section 9.02. Construction and Binding Effect. This Agreement constitutes the entire agreement of the parties and supersedes any prior agreements. This Agreement shall inure to the benefit of and shall be binding upon Authority, Augusta, and their respective successors and assigns subject, however, to the limitations contained in Article 7 hereof.

Section 9.03. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 9.04. Amounts Remaining in Funds. It is agreed by the parties hereto that any amounts remaining in the Construction Fund or other funds provided for herein upon expiration or sooner termination of this Agreement, as provided in this Agreement, after payment in full of the Series 2024

Bonds, the fees, charges, and expenses of Authority, in accordance with the terms hereof, and all sums due and owing to Authority, shall be administered according to Section 3.03(b).

Section 9.05. Amendments, Changes, and Modifications This Agreement may not be amended, changed, modified, altered, except by a written agreement executed by the parties hereto in the same manner as this Agreement is executed.

Section 9.06. Execution of Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 9.07. Law Governing Construction of this Agreement. This Agreement and the rights and obligations of the parties hereto (including third party beneficiaries) shall be governed, construed and interpreted according to the laws of the State.

Section 9.08. Immunity of Officials, Officers, and Employees of Authority and Augusta. No recourse shall be had for the enforcement of any obligation, covenant, promise, or agreement of Authority or Augusta contained in this Agreement or for any claim based hereon or otherwise in respect hereof against any member of a Governing Body, officer, or employee, as such, in his individual capacity, past, present, or future, of Authority, Augusta, or any successor body, whether by virtue of any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or penalty or otherwise, it being expressly agreed and understood that this Agreement is solely a corporate obligation of Augusta and Authority payable only from the funds and assets of Augusta and Authority herein specifically provided to be subject to such obligation and that no personal liability whatsoever shall attach to, or be incurred by, any member of a Governing Body, officer, or employee, as such, past, present, or future, of Augusta or Authority, or of any successor corporation, either directly or through Augusta, Authority, or any successor corporation, under or by reason of any of the obligations, covenants, promises, or agreements entered into between Authority and Augusta whether contained in this Agreement or in the Bond Documents or to be implied herefrom or therefrom as being supplemental hereto or thereto, and that all personal liability of that character against every such member of a Governing Body, officer, and employee is, by the execution of this Agreement and as a condition of and as part of the consideration for the execution of this Agreement, expressly waived and released. The immunity of members of a Governing Body, officers, and employees of Authority and Augusta under the provisions contained in this Section 9.08 shall survive the completion of the Project and the termination of this Agreement.

Section 9.09. Survival of Warranties. All agreements, representations, and warranties of the parties hereunder, or made in writing by or on behalf of them in connection with the transactions contemplated hereby, shall survive the execution and delivery hereof, regardless of any investigation or other action taken by any person relying thereon.

Section 9.11. Authorized Representatives. Any consent, approval, authorization or other action required or permitted to be given or taken under this Agreement by Augusta or Authority, as the case may be, shall be given or taken by one or more of the Authorized Representatives of each. Any party hereto may from time to time designate other or replacement Authorized Representatives to the other party hereto. The written statements and representations of any Authorized Representative of Augusta or Authority shall be binding upon the party for whom such person is an Authorized Representative, and the other parties hereto shall have no obligation or duty whatsoever to inquire into Authority of any such representative to take any action which he proposes to take.

Section 9.12. Exhibits. Each and every exhibit referred to or otherwise mentioned in this Agreement is attached to this Agreement and is and shall be construed to be made a part of this Agreement

by such reference or other mention at each point at which such reference or other mention occurs, in the same manner and with the same effect as if each exhibit were set forth in full and at length every time it is referred to or otherwise mentioned.

Section 9.13. Non-Waiver. Failure by any party to complain of any action, non-action or default of the other parties shall not constitute a waiver of the aggrieved party's rights hereunder. Waiver by any party of any right arising from any default of any other party shall not constitute a waiver of any other right arising from a subsequent default of the same obligation or for any other default, past, present or future.

Section 9.14. Rights Cumulative. All rights, remedies, powers and privileges conferred under this Agreement (including, without limitation, those conferred in Article 11 hereof) on the parties shall be cumulative of and in addition to, but not restrictive of or in lieu of, those conferred by law or equity.

Section 9.15. Time of Essence; Prompt Responses. Time is of the essence of this Agreement. Anywhere a day certain is stated for payment or for performance of any obligation, the day certain so stated enters into and becomes a part of the consideration for this Agreement. The parties recognize and agree that the time limits and time periods provided herein are of the essence of this Agreement. The parties mutually agree to exercise their mutual and separate good faith, reasonable efforts to consider and respond promptly and as expeditiously as is reasonably possible notwithstanding any time period provided in this Agreement.

Section 9.16. Holidays. Whenever the time period for performance or the giving of notice under the terms of this Agreement expires on a Saturday or Sunday or on a legal holiday observed in the area of operation of any party hereto, such time period shall be extended to expire on the next following business day, not a Saturday, Sunday or legal holiday.

Section 9.17. Augusta as Third-Party Beneficiary. Authority shall cause Augusta to be a third-party beneficiary of each Construction Agreement, each Design Agreement and the Program Management Agreement.

SIGNATURES AND SEALS

IN WITNESS WHEREOF, Authority has executed this Agreement by causing its name to be hereunto subscribed by its Chairman and by causing the official seal of Authority to be impressed hereon and attested to by its Secretary, and Augusta has executed this Agreement by causing its name to be hereunto subscribed by its Mayor and by causing the official seal of Augusta to be impressed hereon and attested by its Clerk of Commission, all being done as of the day and year first above written.

**AUGUSTA RICHMOND COUNTY
COLISEUM AUTHORITY**

(SEAL)

By:
Chairman

Attest:

Secretary

AUGUSTA, GEORGIA

(SEAL)

By: _____
Mayor

Attest:

Clerk of Commission

Exhibit A
Site Description

All those lots, tracts or parcels of land, with all improvements thereon, situate, lying and being in the State of Georgia, County of Richmond and designated by the Richmond County Tax Commissioner as parcels 047-1-292-00-0, 047-1-291-00-0, 047-1-300-05-0, and commonly known as 501 and 712 Telfair Street and 601 Seventh Street, Augusta, Georgia.

Exhibit B
Form of Requisition

Certificate and REQUISITION for payment

In accordance with the terms of the New Arena Intergovernmental Agreement, dated as of _____, 2024 (the "Agreement"), between Augusta-Richmond County Coliseum Authority ("Authority") and Augusta, Georgia ("Augusta"), Authority hereby requests that the following amounts be disbursed from the Construction Fund to pay the following parties.

This is requisition number _____ from the Construction Fund.

Augusta shall pay the following person the following amount:

<u>Payee Name and Address</u>	<u>Invoice Number(s)</u>	<u>Dollar Amount</u>	<u>Purpose</u>
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In connection with the foregoing, the undersigned hereby represents as follows:

1. If payment relates to a closing cost, an invoice for such closing cost is attached to this Requisition.
2. If payment relates to the acquisition of the Equipment, a Certificate of Acceptance for such Equipment is attached to this Requisition.
3. If all or any portion of the Equipment that is the subject of this Requisition requires a certificate of title, Authority has been listed as the owner on the certificate of title.
4. The requested disbursement has not been the subject of a previous Requisition.

5. If the requisition is for payment due under a Construction Contract, the appropriate contractor and the Architect have signed and approved the requisition.

6. If the requisition is for payment due under a Construction Contract, accompanying the requisition is a cost breakdown showing the percentage of completion of each line item of the Project Budget which has been certified as accurate by Authority and the appropriate contractor under the Construction Contract.

7. If the requisition is for payment due under a Construction Contract, accompanying the requisition is a certificate of the Architect certifying to Augusta as to (A) the cost of completed construction, (B) the percentage of completion, and (C) compliance with the Plans and Specifications.

8. This Requisition contains no items representing payment on account of any percentage entitled to be retained on the date of this Requisition.

Augusta-Richmond County Coliseum Authority

By: Authorized Authority Representative

By: Chair



Finance Committee

Meeting Date: February 13, 2024

AO URA Bond Update

Department:	Office of the Administrator
Presenter:	Takiyah A. Douse, Interim Administrator
Caption:	Update from the Interim Administrator regarding the URA revenue bond.
Background:	N/A
Analysis:	N/A
Financial Impact:	N/A
Alternatives:	N/A
Recommendation:	N/A
Funds are available in the following accounts:	N/A
<u>REVIEWED AND APPROVED BY:</u>	N/A



Finance Committee

February 13, 2024

Minutes

Department:	N/A
Presenter:	N/A
Caption:	Motion to approve the minutes of the Finance Committee held on January 30, 2024.
Background:	N/A
Analysis:	N/A
Financial Impact:	N/A
Alternatives:	N/A
Recommendation:	N/A
Funds are available in the following accounts:	N/A
<u>REVIEWED AND APPROVED BY:</u>	N/A



FINANCE COMMITTEE MEETING MINUTES

Commission Chamber
 Tuesday, January 30, 2024
 1:15 PM

FINANCE

PRESENT

Mayor Garnett Johnson
 Commissioner Jordan Johnson
 Commissioner Wayne Guilfoyle
 Commissioner Francine Scott
 Commissioner Stacy Pulliam

1. Motion to approve the amended terms of service in the Richmond County Board of Assessors agreement with South Data, Inc. (mailing service vendor).

Motion to approve.

Motion made by Guilfoyle, Seconded by Scott.

Voting Yea: Johnson, Guilfoyle, Scott, Pulliam

Motion carries 4-0.

2. The addition of a capital account line to the Mayor's budget for our surplus funds from the 2023 budget. **(Requested by Mayor Garnett Johnson)**

Motion to approve moving the amount of \$25,000 from the remaining surplus money in the Mayor's Office 2023 budget to a capital account line in their 2024 budget.

Motion made by Guilfoyle, Seconded by Scott.

Voting Yea: Johnson, Guilfoyle, Scott, Pulliam

Motion carries 4-0.

3. Motion to discuss current ARP balance and previously requested allocations.

Motion to approve transferring \$350,000 from ARP funding to the Engineering Department for the program to streamline right of way maintenance.

Motion made by Guilfoyle, Seconded by Pulliam.

Voting Yea: Johnson, Guilfoyle, Scott, Pulliam

Motion carries 4-0.

4. Motion to approve a SPLOST 9 planning work session on Wednesday, February 21, 2024, at 2pm.

Motion to approve.

Motion made by Guilfoyle, Seconded by Scott.

Voting Yea: Johnson, Guilfoyle, Scott, Pulliam

Motion carries 4-0.

5. Motion to approve the minutes of the Finance Committee held on January 8, 2024.

Motion to approve.

Motion made by Guilfoyle, Seconded by Scott.

Voting Yea: Johnson, Guilfoyle, Scott, Pulliam

Motion carries 4-0.