Administrative Services Committee Meeting Committee Room- 5/27/2008- 12:45 PM

## ADMINISTRATIVE SERVICES

**1.** Discuss attendance to RFP meeting on May 20 regarding ECP Benefit Insurance Co. (Requested by Commissioner Grantham) Attachments

**2.** Motion to approve a Managed Pharmacy Benefit Services Agreement with CaremarkPCS Health, L.P. for the NACo Prescription Drug Discount Card Program. Attachments

**3.** Discussion of reprogramming of $852,591.59 in Community Development Block Grant (CDBG) and HOME Investment Partnerships Funds. Attachments

**4.** Approve a lease agreement with ANIC for the Augusta-Richmond County Tag Office to rent office space at 925 Laney Walker Blvd. Attachments

**Administrative Services Committee Meeting**
**5/27/2008 12:45 PM**
**ECP Benefit Insurance Company**

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| | |
|---|---|
| **Department:** | Clerk of Commission |
| **Caption:** | Discuss attendance to RFP meeting on May 20 regarding ECP Benefit Insurance Co. (Requested by Commissioner Grantham) |
| **Background:** | |
| **Analysis:** | |
| **Financial Impact:** | |
| **Alternatives:** | |
| **Recommendation:** | |
| **Funds are Available in the Following Accounts:** | |

**<u>REVIEWED AND APPROVED BY</u>:**

**Clerk of Commission**

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**Administrative Services Committee Meeting**
**5/27/2008 12:45 PM**
**Managed Pharmacy Benefit Services Agreement**

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|---|---|
| **Department:** | Clerk of Commission |
| **Caption:** | Motion to approve a Managed Pharmacy Benefit Services Agreement with CaremarkPCS Health, L.P. for the NACo Prescription Drug Discount Card Program. |
| **Background:** | The resolution regarding the City's participation in this program was previously approved by the Augusta Commission in meeting August 2, 2005. |
| **Analysis:** | |
| **Financial Impact:** | |
| **Alternatives:** | |
| **Recommendation:** | Approve the agreement. |
| **Funds are Available in the Following Accounts:** | |

**<u>REVIEWED AND APPROVED BY</u>:**

**Clerk of Commission**

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# CAREMARKPCS HEALTH, L.P.

# MANAGED PHARMACY BENEFIT SERVICES AGREEMENT

# CONSUMER CARD PROGRAM

THIS RESTATED AGREEMENT (the "**Agreement**") is effective beginning March 1, 2006 (the "**Effective Date**") among National Association of Counties ("**Customer**"), counties that are members of the National Association of Counties ("**Member County**") and CaremarkPCS Health, L.P., formerly known as AdvancePCS Health, L.P. ("**Caremark**"), for the purpose of delineating the terms and conditions under which Caremark will provide certain managed pharmacy benefit services to Member County and Customer. This restated agreement will amend and replace all existing Member County Agreements.

Customer agrees that it will require each Member County to execute an individual agreement with Caremark in the form attached hereto as Exhibit C (the "**Member County Agreement**") prior to Caremark's providing Services to such Member County. Caremark will not provide Services to Member County prior to the receipt of the Member County's execution of the Member County Agreement.

## 1. STATEMENT OF SERVICES / OBLIGATIONS.

**1.2 Services.** Caremark will provide Member County the services as set forth in this Section 1, and the services described in any attachment, addendum or amendment hereto (collectively the "**Services**"). Caremark may make changes to the Services from time to time so long as such changes do not materially alter any of the provisions of this Agreement.

**1.3 Participating Pharmacies.** Caremark has created a network of Participating Pharmacies, which will perform pharmacy services for Participants.

**1.4 Pharmacy Help Desk and Voice Response Unit.** Caremark will provide Participating Pharmacies with help desk assistance and access to Caremark's voice response unit during Caremark's hours of operation.

**1.5 Claims Processing.**

**a. Submission of Claims.** Caremark will adjudicate Claims submitted by Participating Pharmacies to Caremark in accordance with the Participating Pharmacy's agreement with Caremark and the Consumer Card Program.

**b. Collection at Point of Sale.** Customer and Member County acknowledge that Participating Pharmacies will collect from the Participant one hundred percent (100%) of the applicable prescription price, discounted at the rates set forth on Exhibit B as applicable, plus a transaction fee from the Participant.

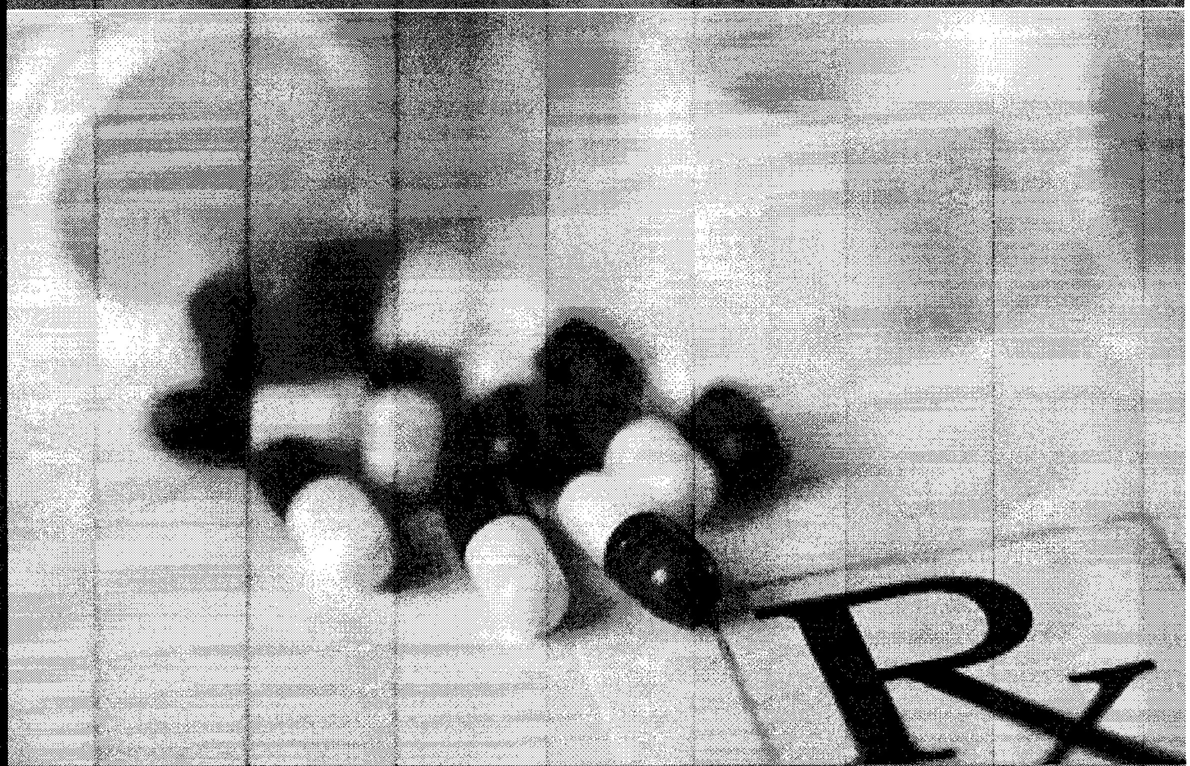
**1.5 Customer Service.** Caremark will make available to Customer, Member County and Participants a toll free number during those hours of operation maintained by Caremark. Staff will be available to answer questions on the Consumer Card Program and Consumer Card Program guidelines.

**1.6 Identification Cards.** Caremark will, at its own cost, produce identification cards for Participants, which contain Member County's and Customer's logo(s). Identification cards will be available to any individual the Member County or Customer deem appropriate. Caremark will work with Member County on the distribution method for identification cards; provided, however if Member County requests that Caremark mail the identification cards to Members, postage and handling charges will apply. The Participant shall be responsible for paying for any prescriptions obtained while using the identification card.

**1.7 Clinical Services and Drug Utilization Review ("DUR").**

**a. Clinical Services.** Caremark may provide to Member County its member compliance programs and other programs designed to ensure proper drug utilization and encourage the use of cost-effective

# NACo Prescription Drug Discount Card Program




NACo National Association of Counties

The Voice of America's Counties

CAREMARK®
*It all starts with care*®

NACo National Association of Counties
The Voice of America's Counties

## NACo PRESCRIPTION DISCOUNT CARD PROGRAM
## FACT SHEET

**What It Is:** The NACo drug discount card program helps consumers save money on their prescription medications any time their prescriptions are not covered by insurance. The free cards are distributed in the sponsoring county and may be used at any participating retail pharmacy. The discount card is not insurance.

**Savings:** Savings average 20 percent; some discounts may be more, and some less, depending on the drug and quantity purchased. Cardholders are eligible for higher discounts on a three-month supply of some medications through mail service. Cardholders also can save on pet prescriptions at participating retail pharmacies.

**Who It's For:** The cards may be used by all county residents, regardless of age, income or existing health coverage. There is no enrollment form, no membership fee and no restrictions or limits on frequency of use. Cardholders and their family members may use the card any time their prescriptions are not covered by insurance.

**What It Costs:** Unlike many other card programs, there is no enrollment cost or membership fee. The cardholder pays the negotiated discount price or the pharmacy's retail price, whichever is lower. The average discount is 20 percent.

**Participating Pharmacies:** More than 57,000 pharmacies nationwide accept the card, including most chain pharmacies and many independents. Wal-Mart pharmacies participate in the program.

**Additional Benefits:** The program has a safety feature that alerts pharmacists when one drug may conflict with another medication the cardholder is taking, if the prescriptions were obtained with the NACo discount card.

The NACo discount card program remains a useful option now that Medicare Part D has been implemented. For example, the card can be used when a Medicare Part D plan doesn't cover a drug.

**About Caremark:** The program is administered by Caremark Rx, Inc., a leading pharmaceutical services company with broad experience in managing drug discount card programs for sponsoring clients. Caremark negotiates with pharmacies to offer a discount off their retail prices. Most pharmacies contract to participate because it draws customers to their stores. Caremark derives revenue from the program in the form of a small fee that the pharmacy pays on each transaction. The fee is a small fraction of the total transaction amount.

**Discount Card Details**

**Rebates:** Few manufacturers pay rebates on the discount card program. Caremark shares a portion of the rebate with the consumer at the point of sale via an increased discount. The retail pharmacy is reimbursed for this additional discount.

**Data Collection:** Cardholder information remains confidential and is not resold to a third-party for any reason.

**Drug Distribution:** Caremark negotiates with retail pharmacies to offer discounts off retail prices at the point of purchase. Some news reports have incorrectly stated that Caremark purchases prescription drugs and distributes them to retail pharmacies.

AUGUSTA
OLD GOVERNMENT HOUSE c 1801
1736
GEORGIA

# A RESOLUTION

## NACo Prescription Drug Discount Card Program

**WHEREAS**, Caremark/AdvancedPCS was chosen as the program provider after a two-year process that involved the NACo Membership Committee, a consulting firm and a special evaluation committee appointed by the NACo President; and

**WHEREAS**, the Caremark/AdvancePCS program was chosen not only for its price savings, but also for its ease of use and understanding; and

**WHEREAS**, the program provides great flexibility for participating counties. The discount cards can be used by anyone-senior citizens, the elderly, or the uninsured. Richmond County may use the cards for their jail populations or their employees if they do not have a prescription drug insurance program; and

**WHEREAS**, there is no cost to NACo, no cost to the counties participating in the program and no cost to the citizens using the discount card; and

**WHEREAS**, citizens do not have to fill out any forms to participate and, therefore, Richmond County does not have to maintain any database of who has the cards. The card will be given to citizens with a brochure and can be used immediately by anyone who needs it; and

**WHEREAS,** discount cards are accepted at more than 57,000 pharmacies nationwide. The overall average saving is about 20 percent. The savings range from 13 percent to 35 percent on purchases of drugs at a local pharmacy and up to 50 percent on mail order purchases. Savings differences are based on brand-named prescriptions vs. generic; and

**WHEREAS**, only NACo member counties can participate in this program; and

**NOW, THEREFORE, BE IT RESOLVED BY THE AUGUSTA-RICHMOND COUNTY COMMISSION** to participate in the NACo Prescription Drug Discount Card Program for the citizens of Richmond County, Georgia.

**Approved** and ratified this 2nd day of August, 2005, as witnessed and attested by:

**Done in open meeting this 2nd day of August 2005**

Deke Copenhaver
Willie Mays III
**Mayor, Augusta, Georgia**

**Clerk of Commission**

**ATTEST:** Lena J Bonner

Administrative Services Committee Meeting
5/27/2008 12:45 PM
Reprogram CDBG & HOME 2008

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**Department:** Housing & Community Development Department

**Caption:** Discussion of reprogramming of $852,591.59 in Community Development Block Grant (CDBG) and HOME Investment Partnerships Funds.

**Background:**

During the year, staff reviews each program budget to determine if there is a need to reprogram funds from inactive projects to projects that can readily be carried out to expend funds. As a result of staff review, it has been determined that there is a need to reprogram $200,000 in CDBG funds and $652,591.59 in HOME funds. We are proposing that funds be reprogrammed FROM the following projects: 1. CDBG Program Income – $200,000 - Justification: The City/AHCDD owns the former Transition Center properties located on Wrightsboro Road and Baker Avenue which were originally purchased with CDBG funds. The properties were appraised at $200,000 and are a part of the land transaction for the new library. Because the properties were purchased with federal CDBG funds, the proceeds from the sale will be Program Income to the CDBG program which will be used for eligible CDBG projects. 2. HOME FY 2004 Demolition Rebuild Program - $163,133.60 - Justification: Funds have not been committed due to lack of applications. 3. HOME FY 2005 Demolition Rebuild Program - $131,239.10 - Justification: Funds have not been committed due to lack of applications. 4. HOME FY 2006 Demolition Rebuild Program - $200,000 - Justification: Funds have not been committed due to lack of applications. - $120,000 will remain in this project for future applications. 5. HOME FY 2007 Housing Rehabilitation - $153,358 - Justification: Using HOME funds for Housing Rehabilitation is very restrictive and requires funds to be matched (by City) and the project must be monitored for 10 years. 6. FY 2000 HOME uncommitted funds - $1,218.10 - Justification: Residual unused project funds 7. FY2001 HOME uncommitted funds - $95.70 - Justification: Residual unused project funds 8. FY2002 HOME uncommitted funds - $2,280.18 - Justification: Residual unused project funds 9. FY2003 HOME uncommitted funds - $1,154.73 - Justification: Residual unused project funds 10. FY2006 HOME uncommitted funds - $112.18 - Justification: Residual unused project funds Projects that the funds will be reprogrammed TO: 1. Homeless Permanent Housing Project – CDBG $200,000 2. Antioch Ministries, Inc. – HOME $163,133.60 - Use: For development of affordable housing 3. Promise Land Community Development Corporation – HOME $131,239.10 - Use for development of affordable housing 4. Neighborhood Development – HOME $358,218.89 - Use: For development of affordable housing. In accordance with HUD requirements and the City's Citizen Participation Policy, any substantial changes to the Consolidated Plan must be presented to the public for a 30-day comment period. If comments are received, they must be presented to the Commission for action. On May 29, 2008, a Public Notice will be published in the newspaper soliciting comments from the public. The deadline for comments will be June 30, 2008.

**Analysis:** Reprogramming of these funds will allow the department to proceed with active projects and expend the funds in a timely manner.

**Financial Impact:** This reprogramming of funds is a reallocation of existing funds.

**Alternatives:** None recommended.

**Recommendation:** Accept the Proposed Reprogramming of $852,591.59 in CDBG and HOME Funds as Information and Allow Staff to Solicit Public Comments for a 30-day period. After the 30-day comment period (June 30, 2008), staff will return and present to Committee and Commission for action the Proposed List of Reprogramming and any public comments received.

**Funds are Available in the Following Accounts:** Existing CDBG and HOME funds.

**REVIEWED AND APPROVED BY:**

**Finance.**
**Administrator.**
**Clerk of Commission**

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# CDBG & HOME REPROGRAM FUND LIST
# $852,591.59

**Administrative Services Committee** **May 27, 2008**
**Commission** **July 15, 2008**

## CDBG – $200,000

**FROM:**

| FY | PROJECT | AMOUNT $'s (-) | BALANCE $'s |
|---|---|---|---|
| 2008 | CDBG Program Income | $ 200,000 | 0 |

**TO:**

| FY | PROJECT | AMOUNT $'s (+) | BALANCE $'s |
|---|---|---|---|
| 2008 | CDBG Homeless Permanent Housing | $ 200,000 | $200,000 |

## HOME - $652,591.59

**FROM:**

| FY | PROJECT | AMOUNT $'s (-) | BALANCE $'s |
|---|---|---|---|
| 2004 | Demolition Rebuild Program | 163,133.60 | 0 |
| 2005 | Demolition Rebuild Program | 131,239.10 | 0 |
| 2006 | Demolition Rebuild Program | 200,000.00 | 120,000 |
| 2007 | Housing Rehabilitation | 153,358 | 0 |
| 2000 | Uncommitted Funds | 1,218.10 | 0 |
| 2001 | Uncommitted Funds | 95.70 | 0 |
| 2002 | Uncommitted Funds | 2,280.18 | 0 |
| 2003 | Uncommitted Funds | 1,154.73 | 0 |
| 2006 | Uncommitted Funds | 112.18 | 0 |
| TOTAL | | $ 652,591.59 | |

**TO:**

| FY | PROJECT | AMOUNT $'s (+) | BALANCE $'s |
|---|---|---|---|
| 2008R | Antioch Ministries, Inc. | 163,133.60 | 163,133.60 |
| 2008R | Promise Land CDC | 131,239.10 | 131,239.10 |
| 2008 | Neighborhood Development | 358,218.89 | 1,041,006.89 |
| TOTAL | | $ 652,591.59 | |

***NOTE: The balance column represents the budgeted amount and does not take into consideration any commitments.***

**Administrative Services Committee Meeting**
**5/27/2008 12:45 PM**
**Tag Office Lease**

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|---|---|
| **Department:** | Administrator |
| **Caption:** | Approve a lease agreement with ANIC for the Augusta-Richmond County Tag Office to rent office space at 925 Laney Walker Blvd. |
| **Background:** | |
| **Analysis:** | |
| **Financial Impact:** | |
| **Alternatives:** | |
| **Recommendation:** | |
| **Funds are Available in the Following Accounts:** | |

**REVIEWED AND APPROVED BY:**

**Administrator.**
**Clerk of Commission**

Augusta Neighborhood Improvement Corporation

March 27, 2008

Mr. Fred Russell
Augusta City Administrator
530 Green St, Suite 801
Augusta, GA 30911

Re: 925 Laney Walker Bldg. "Tag Office Lease"

Dear Mr. Russell:

This letter is a following up to our meeting on last week, March 19, 2008. The lease for the ARC TAG OFFICE is attached. The rate of rent is $16.50 per square foot. There appears to be a need for Capital Improvements to accommodate the office. We are asking you to make tenant improvements, with the understand the finish match the existing building. The rental rate is comparable to the existing fire administration lease. Also we would like to request some assistance in the creating the off site adjacent parking.

We have been informed the Fire Administration will likely be prepared to move in October, November 2008. We would like to consummate the new lease by May 31, 2008 and begin space planning and construction planning as soon as possible so as to not create any lease down time.

Look forward to working together.

Best regards,

Robert A. Cooks
President and CEO

925 Laney Walker Blvd., Third Floor • Augusta, Georgia 30901 • Telephone (706) 724-5565 • FAX (706) 724-4233

# LEASE AGREEMENT

## Suite 10 ; The ANIC Office Building

THIS LEASE AGREEMENT is made and entered into on the __ day of ___________, ______, by and between Augusta Neighborhood Improvement Corporation, as lessor (the "Lessor") and Augusta, Georgia as lessee (the "Lessee").(ARC TAG Office)

IN CONSIDERATION of the promises and covenants contained herein and for other good and valuable considerations, the sufficiency and receipt of which are hereby acknowledged, the parties agree as follows:

1. PREMISES. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor, for the term and upon the terms and conditions contained herein, those certain premises (the "Premises") shown on the floor plan attached hereto as Exhibit "A" and incorporated herein by reference, containing approximately 4,650 net rentable square feet and located in the building (the "Building") in the ANIC Office Building (the "Project") at 925 Laney-Walker Blvd, Augusta, Georgia 30901. No easement for light, air or view is included.

2. TERM. The term of this Lease shall be for 10 years , and shall commence on the date the Premises are ready for occupancy by Lessee or the date Lessee shall first occupy the Premises, whichever shall first occur, provided that should the term of this Lease commence on a day other than the first day of the calendar month, the term of this Lease shall continue for 10 years from the first day of the calendar month. Lessee agrees to confirm the date of commencement in writing if and when requested to do so by Lessor. This lease may be extended on a quarterly basis for the same rent and upon the same conditions so long as the quarterly extensions, plus the primary term do not exceed 5 years.

3. RENT. (a) Beginning Rent. Lessee shall pay to Lessor as rent, in legal tender, without setoff or counterclaim at 925 Laney-Walker Blvd., Augusta, Georgia, 30901 or other such place as Lessor shall designate in writing an annual rental of Seventy Six Thousand Seven Hundred Twenty Five Dollars and 00/00 ($76,725.00 ), payable monthly in equal installments of Six Thousand Three Hundred and Ninety Three Dollars and 75/00 ( $6,393.75 ), each in advance on the first day of every calendar month during the term of this Lease. If the term of this Lease shall commence on a day other than the first day of a calendar month, the rental payment for such month shall be proportionately reduced. There will be a 5 % late fee on rents received after the 5th day of the month. All checks returned by the bank and not paid as shown on its face will be subject to a $30.00 returned check fee plus late fee and bank charges.

(b) **Increase in rents.** There shall be a 3 % annual increase for each year of the Lease. (on the lease Commitment date)

4. USE. The Premises shall be used for general office purpose and for no other purposes. Lessee shall not do or permit to be done in or about the premises, nor bring or keep or permit to be brought or kept therein, anything which is prohibited by or will in any way conflict with any law, statute, ordinance or governmental rule or regulation now or hereafter in force, or which is prohibited by the standard form of fire insurance policy or will in any way increase the existing rate of or affect any fire or other insurance upon the Project or Building or any part thereof or any of its contents. Lessee shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants of the Project, or injure or annoy them, or use or allow the Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Lessee cause, maintain or permit any nuisance in, on or about the Premises.

5. ALTERATIONS AND IMPROVEMENTS. Lessee will not make or suffer to be made any alterations, additions, or improvements to or of the Premises or any part thereof, or attach any fixture, equipment or signs thereto, without first obtaining Lessor's written consent. All alterations, additions and improvements, whether temporary or permanent in character, made in or upon the Premises either by Lessee or Lessor (other than Lessee's movable office furniture or other items put in at Lessor's expense and identified by Lessor and Lessee as Personalty) shall, at the termination or expiration of this Lease, for whatever reason, become Lessor's property and remain on the Premises without compensation to Lessee, unless there is a written agreement between the parties providing for such removal.

6. LIENS. Lessee shall keep the Premises, the Building, the Project and the property upon which the Project is situated free from any liens or claims of lien arising out of work performed, materials furnished or obligations incurred by, for or at the instance of Lessee, its assignees or subtenants. Should any such lien or claim of lien be filed or recorded, Lessee shall bond against or discharge the same within ten days after written request of Lessor; provided that the Lessee shall have the right to contest the validity of any lien or claim if the Lessee shall first have posted a bond to insure that upon final determination of the validity of such lien or claim the Lessee shall immediately pay any judgment rendered against it with all proper costs and charges, and shall have such lien released without costs to the Lessor.

Nothing contained in this Lease shall be deemed or construed as constituting the consent or request of Lessor, express or implied, to any contractor, subcontractor, laborer, mechanic or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to the Premises or any part thereof, nor as giving Lessee a right, power shall immediately pay any judgment rendered against it with all proper costs and charges, and shall have such lien released without costs to the Lessor.

Nothing contained in this Lease shall be deemed or construed as constituting the consent or request of Lessor, express or implied, to any contractor, subcontractor, laborer, mechanic or materialman for the performance of any labor or the furnishing of any materials for any specific improvement, alteration or repair of or to the Premises or any part thereof, nor as giving Lessee a right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to the filing of any mechanic's or materialman's lien or claim of lien against the Premises or the Lessee's interest therein, the Building, the Project or the property upon which the Project is located.

7. REPAIR. Lessee shall, at all times during the terms hereof and at Lessee's sole cost and expense, keep the Premises in good and sanitary condition and repair, damage thereto by fire, earthquake, act of God or the elements, or defects in construction, excepted. Lessee hereby waives all rights to make repairs at the expense of Lessor as provided by any law, statute or ordinance now or hereafter in effect. Lessee shall at the end of the term hereof surrender to Lessor the Premises and all alterations, additions and improvements thereto in the same condition as when received, ordinary wear and tear and damage by fire, earthquake, act of God or the elements excepted. Lessor shall make any structural repairs necessary for safety and tenantability and necessary repairs of the Building's fixtures and electrical, heating, cooling and plumbing systems in the Premises unless the damage to be repaired is attributable to any act or neglect of Lessee, its agents, employees or visitors, in which event Lessee shall be responsible for repairing such damage. Lessee shall at once report in writing to Lessor any defective condition known to it which Lessor may be required to repair and failure to so report shall make Lessee responsible and liable for damages resulting from any such defective condition.

8. SERVICES. Lessor agrees to provide Lessee, as Lessor deems reasonably necessary and subject to limitations contained in any governmental controls now or hereafter imposed or matters beyond Lessor's control and subject to cessation for reasonable necessity the following services:

(a) General cleaning and janitorial service including trash removal.

(b) Heating and air-conditioning service daily on Mondays through Fridays inclusive (national holidays excepted), from 8:00 a.m. to 6:00 p.m., and on Saturdays, if not a holiday, from 8:00 a.m. to 1:00 p.m. Without the express written consent of Lessor, Lessee shall not install or use heat generating machines and similar equipment or supplementary air-conditioning equipment. In the event Lessor consents to such installation the costs of operation and maintenance of such equipment shall be paid by Lessee to Lessor on the monthly rental payment dates at such rates as are established by Lessor. Should Lessee desire either heating or air-conditioning at times when such services are not furnished by Lessor under the terms of the lease, Lessor will furnish such services as requested by Lessee, at Lessee's expense and at such hourly charge as is from time to time determined by Lessor, which charges Lessee shall promptly pay on being billed by Lessor.

(c) Reasonable facilities for furnishing light and electric power for the operation of primary office equipment such as typewriters, lamps, adding machines, and calculators, dictating equipment, and clocks. Lessee shall bear the cost of electrical current required to operate any other equipment, which costs shall be reasonably determined by Lessor.

(d) Water and sewer costs for water reasonably used in the Premises.

(e) Elevator service during reasonable hours, 7 day per week.

(f) Lessor shall, when advised or requested by Lessee, provide and replace fluorescent tubes or incandescent bulbs for fixtures in the Premises.

9. Telephone and data transmission lines reasonably necessary, but limited to category 5 labeling.

10. PEACEFUL POSSESSION. So long as the Lessee shall observe and perform the covenants and agreements binding on it hereunder, the Lessee shall at all times during the term of this Lease peacefully and quietly have and enjoy possession of the Premises.

11. LIABILITY OF LESSOR AND LESSEE. Lessor shall not be liable to Lessee in any manner whatsoever for failure to furnish or delay in furnishing any service provided for in this Lease and no such failure or delay shall constitute an actual or constructive eviction of Lessee nor shall any such failure or delay operate to relieve Lessee from the prompt and punctual performance of each and all the covenants to be performed herein by Lessee. Lessor shall not be liable to Lessee from damage to person or property caused by defects in the cooling, heating, electric, water or other system or apparatus or by water discharged from sprinkler systems, if any, in the Building or from any water pipes nor for the theft, mysterious disappearance, or loss of any property of Lessee whether from the Premises or any part of the Building or property adjoining the Building. Lessor agrees to make reasonable effort to protect Lessee from interference or disturbance by third persons including other tenants. Lessor shall not, however, be liable for any such interference or disturbance whether caused by another tenant or tenants of Lessor or other persons, nor shall Lessee be relieved from any obligation herein because of such interference, disturbance or breach.

Lessor shall not be liable, responsible or in any way accountable for any loss, injury, death or damage to persons or property which at any time may be suffered or sustained by Lessee or by any person who may at any time be using or occupying or visiting the Premises, the Building or the Project or be in, on or about the same, whether such loss, injury, death or damage shall be caused by or in any way result from or arise out of any act, omission or negligence of Lessee or of any occupant, tenant, visitor or user of any portion of the Premises, the Building or the Project, except those arising by reason of the gross negligence or willful act of Lessor, its agents or employees. Lessee shall defend, hold and save Lessor free and harmless of, from and against any and all claims, liabilities, actions, expenses, losses or damages whatsoever on account of or in connection with any such loss, injury, death or damage, occurring within the Premises, except those arising by reason of the gross negligence or willful act of Lessor, its agents or employees. Lessee hereby waives all claims against Lessor for damages to the furniture, furnishings and other property of Lessee in, upon or about the Premises, and for injuries to persons or property in or about the Premises, the Building or the Project, from any cause arising at any time, except those arising by reason of the gross negligence or willful act of Lessor, its agents or employees.

12. ASSIGNMENT AND SUBLETTING. Lessee shall not, without the prior written consent of Lessor, (which consent shall not be unreasonably withheld) assign, transfer, mortgage, pledge, hypothecate or encumber this Lease or any interest herein or sublet the Premises or any part thereof, or permit the use of the Premises by any party other than Lessee.

If Lessee is a close corporation and at any time during the term of this Lease all or any part of the shares of Lessee shall be issued or transferred so as to result in a change in the effective voting control of Lessee as of the date of execution hereof, Lessor shall have the right to treat such event as an event of default hereunder, and also may terminate the lease term at any time after notice of such change in control by giving Lessee thirty (30) days prior written notice of such termination. Lessee shall give Lessor written notice of any such change in control immediately upon the occurrence thereof.

13. SUBORDINATION OF LEASE. The rights of the Lessee under this Lease shall be and are subject and subordinate at all time to the lien of any and all mortgages, security deeds, deeds to secure debt or loan deeds in any amount or amounts whatsoever now or hereafter placed on Lessor's interest in the Project or the Building, or both, and to all advances made or hereafter to be made upon the security thereof. Although such subordination shall be selfoperative, the Lessee shall execute such further instruments confirming such subordination as may be requested by the Lessor. If any such mortgage, security deed, deed to secure debt or loan deed shall be foreclosed, upon request to the mortgagee or the purchaser on foreclosure, the Lessee will recognize as the Lessor and new owner of the Building the purchaser on foreclosure sale thereunder (or purchaser by deed in lieu of foreclosure) and will execute such instruments as may be necessary or appropriate to evidence such attornment. Notwithstanding any of the above, Lessee agrees that Lessor or his successor in interest shall have the right to declare this Lease prior and superior to any such mortgage, security deed, deed to secure debt or loan deed and Lessee agrees, upon request, to execute any instrument or instruments requested by Lessor or such first mortgagee to confirm same. Lessee hereby irrevocably appoints the Lessor as attorney-in-fact for the Lessee with full power and authority to execute and deliver, in the name of Lessee, any instrument or instruments required to be delivered by Lessee under the provisions of this paragraph.

14. INSPECTIONS. Lessor may enter the Premises at reasonable hours to (a) inspect the Premises, (b) exhibit the Premises to prospective purchasers or tenants, (c) determine whether Lessee is complying with all its obligations hereunder, (d) supply any service to be provided by Lessor to Lessee hereunder, (e) post "For Lease" signs of reasonable size upon or within the Premises during the last ninety (90) days of the term hereof and during any period of hold over by Lessee, and (f) make repairs required of Lessor under the terms hereof or repairs to any adjoining space or utility services or make repairs, alterations or additions of any other portion of the Building, provided, however, that all such work shall be done as promptly as reasonably possible and so as to cause as little interference to Lessee as reasonably possible.

15. DAMAGE AND DESTRUCTION. In case the Premises or the Building of which the Premises are a part are so injured or damaged by fire or other casualty so as to render the Premises untenantable, Lessor shall have the right, at its option, within sixty (60) days of such fire or other casualty, to repair and restore so as to cause the Premises to be in a tenantable condition, and the rent shall abate during the period the Premises are untenantable. Should the repairs or restoration not be completed for any reason within ninety (90) days from the date of said fire or other casualty, Lessor may (and Lessee may, if the fire or other casualty was not the fault of Lessee) terminate this Lease by giving the other party written notice to terminate given not later that 100 days after the fire or other casualty. In the event of partial destruction or damage to the Premises, so as to render the Premises partially, but not wholly untenantable, this Lease shall not terminate but the annual rental rate shall be reduced in proportion to the area of the Premises which cannot be used or occupied by Lessee as a result of such fire or other casualty. Lessor shall, in the event of such partial damage or destruction, and within a reasonable time after said fire or other casualty, subject to matters beyond Lessor's control and to the extent and availability of insurance proceeds, restore the Premises to as near the same structural condition as existed prior to said fire or other casualty, but without prejudice to Lessee's responsibility therefor should the fire or other casualty have resulted from the act, negligence, or fault of Lessee or its representatives, agents, or invitees. In the event of partial damage or destruction of the premises (not caused by act, negligence, or fault of Lessee or its representatives, agents or invitees) which renders the remainder of the Premises impractical for use during restoration, the whole of the rent shall abate during the restoration period. In no event shall Lessee have any option to terminate nor shall rent abate if the fire or other casualty be the result of the act, negligence or fault of Lessee, or its representatives, agents employees or invitees.

16. EMINENT DOMAIN. (a) If title to any part of the Premises is taken for any public or quasi-public use by eminent domain or by private purchase in lieu thereof, or if title to so much of the Building is taken that a reasonable amount of reconstruction thereof will not, in Lessor's sole discretion, result in the Premises of the Building being a practical improvement and reasonably suitable for use for the purpose for which they are designed, then, in either event, this Lease shall terminate at the option of Lessor on the date that the condemning authority actually takes possession to the part condemned. If title to the whole of the Premises is taken by eminent domain then this Lease shall terminate as of the date possession of the Premises is taken by the condemning authority.

(b) If this Lease is terminated under the provisions of this Paragraph 15, rent shall be apportioned and adjusted as of the date of termination.

(c) If there is a partial taking of the Premises or the Building and this Lease is not thereby terminated under the provision of this Paragraph 15, then this Lease shall remain in full force and effect, and Lessor shall, within a reasonable time thereafter, repair and restore the remaining portion of the Premises, should they be affected, to the extent necessary to render the same tenantable and shall repair or reconstruct the remaining portion of the Building to the extent necessary to make the same a complete structural unit; provided that Lessor shall not be required to expend more than the net proceeds of the condemnation award which are paid to Lessor in complying with its obligations hereunder and its similar obligations to other tenants of other portions of the Building.

(d) All compensation awarded or paid upon a total or partial taking of the Premises, the Land of the Building shall belong to and be the property of Lessor without any participation by Lessee. Nothing herein shall be construed to preclude Lessee from prosecuting any claim directly against the condemning authority for loss of business, damage to, and cost of removal of trade fixtures, furniture and other personal property belonging to Lessee; provided, however, that no such claim shall diminish or adversely affect Lessor's award.

(e) After any partial taking of the Premises which does not result in a termination of this Lease, the Base Annual Rental for the remainder of the Lease Terms shall be reduced by the same percentage as the rentable area of the space taken bears to the total rentable area originally in the Premises.

17. HOLDING OVER. If Lessee remains in possession of the Premises after expiration of the term of this Lease, with Lessor's acquiescence and without any express agreement of the parties, Lessee shall be a tenant at will at a rental rate equal to one and one-half times the rental rate, adjusted pursuant to paragraph 3 (b), in effect at the end of this Lease and there shall be no renewal of this Lease by operation of law.

18. RULES AND REGULATIONS. Lessee shall faithfully observe and comply with the rules and regulations attached as Exhibit "B" to this Lease and all reasonable modifications of and additions thereto of general application from time to time put into effect by Lessor. Lessor shall not be responsible to Lessee for the nonperformance by any other tenant or occupant of the Project or the Building of any of said rules and regulations.

19. DEFAULTS. The following shall constitute events of Default hereunder:
(a) Failure by the Lessee to pay any rent or other sum payable hereunder on or before the date due;

(b) Default by Lessee in the observance or performance of any of the other terms, covenants, agreements of conditions contained herein or in the rules and regulations incorporated herein;

(c) Filing by the Lessee or any guarantor or surety with respect to this Lease of a voluntary petition in bankruptcy or a voluntary petition or answer seeking reorganization, arrangement, readjustment of its debts or for any other relief under the Bankruptcy Act, as amended, or under any other insolvency act or law, state or federal, now or hereafter existing, or any action by the Lessee or any guarantor or surety with respect to this Lease indicating its consent to, approval of or acquiescence in, any such petition or proceeding; the application by the Lessee or any guarantor surety with respect to this Lease for or the appointment by consent or acquiescence of a receiver or trustee of the Lessee or any guarantor or surety with respect to this Lease or for all or a substantial part of its property; the making by the Lessee or any guarantor or surety with respect to this Lease or any assignment for the benefit of its creditors; or the inability of the Lessee or any guarantor or surety with respect to this Lease, or the admission by the Lessee or any guarantor or surety with respect to this Lease of its inability to pay its debts as they mature;

(d) The filing of any involuntary petition against Lessee or any guarantor or surety with respect to this Lease in bankruptcy or seeking reorganization, arrangement, readjustment of its debts or for any other relief under the Bankruptcy Act, as amended, or under any other insolvency act or law, state or federal, now or hereafter existing, or the involuntary appointment of a receiver or trustee of the Lessee or any guarantor or surety with respect to this Lease or for all of a substantial part of its property; or the issuance of attachment, execution or other similar process against any substantial part of the property of the Lessee or any guarantor or surety with respect to this Lease and the continuation of any of such for a period of thirty (30) days undismissed, unbonded or undischarged;

(e) The insolvency of Lessee or any guarantor or surety with respect to this Lease; or the withdrawal or revocation of any guaranty or suretyship agreement regarding this Lease;

(f) The desertion, vacation or abandonment of the Premises by Lessee, even though Lessee continues to pay the required rent;

Upon the occurrence or existence of any Event of Default, Lessor shall have the option to exercise any or all of the following remedies:

(1) Terminate this Lease, in which event Lessee shall immediately surrender the Premises to Lessor, but if Lessee shall fail to do so, Lessor may, without further notice and without prejudice to any other remedy Lessor may have for possession or arrearages in rent or damages for breach of contract, enter upon the Premises and expel or remove Lessee and its effects, by force if necessary, without being liable for prosecution or any claim for damages therefor;

(2) Enter the Premises as the agent of the Lessee on Lessee's account, by force if necessary, without being liable for prosecution or any claim for damages therefor, and relet the Premises as the agent of the Lessee, and receive the rent therefor, and the Lessee shall pay the Lessor any deficiency that may arise by reason of such reletting, on demand at any time and from time to time at the office of Lessor. This reletting is for the benefit of the Lessee and does not relieve him of his obligations under the Lease whether or not notice of the reletting is given to the Lessee. It is hereby agreed that this may be done without effecting a surrender of the Premises;

(3) Refuse to accept a surrender of the Premises in which event the Lessor may allow the premises to remain idle and hold the Lessee for rent, or, in the alternative the Lessor may sue for breach of contract before the expiration of the term;

(4) Rerent the Premises, calculate the amount by which the rent for the rerented Premises is less than that provided by this Lease and immediately be entitled to such difference reduced to its the present value.

The foregoing remedies of Lessor shall not be exclusive by shall be cumulative and in addition to all other remedies now or hereafter allowed by law or elsewhere provided for. Nothing herein contained shall limit or prejudice Lessor's right to prove and obtain as liquidated damages arising out of any default or termination of this Lease the maximum amount allowed by law.

20. LESSEE'S PERSONALTY. The Lessee shall, on or before the expiration of the Lease term, surrender the Leased Premises and the keys and mailbox keys thereto to the Lessor free of subtenancies, together with alterations, additions, and improvements which may have been made upon the Premises, except movable furniture, movable personal property, or movable trade fixtures put in at the expense of the Lessee, subject, however, to the subsequent provisions hereof. All of the property removable pursuant to the provisions of this paragraph shall be removed by the Lessee on or before the expiration of the Lease term, and all property not so removed shall be deemed abandoned by the Lessee. Lessor may remove and immediately dispose of such property in a manner set forth below at Lessee's expense.

Lessee hereby irrevocably appoints Lessor as agent and attorney in fact of Lessee to enter upon the Premises, upon the occurrence or existence of any Event of Default, and to remove any personal property situated upon the Premises and place such property in storage for the account of and at the expense of Lessee. In the event that Lessee shall not claim such property and pay the cost of storing such property after the property has been stored for a period of thirty (30) days or more, Lessor may sell any or all of such property at public or private sale in such manner and at such times and places as Lessor in its sole discretion may deem proper without notice to Lessee or any demand upon Lessee for the payment of any part of such charges or the removal of any of such property, and shall apply the proceeds of such sale: first, to the cost and expense of such sale, including reasonable attorney's fees actually incurred; second, to the payment of the costs of or charges for storing any such property; third, to the payment of any other sums of money which may then or thereafter be due to Lessor from Lessee under any of the terms hereof; and fourth, the balance, if any, to Lessee. Lessee hereby waives all claims for damages that may be caused by Lessor's re-entering and taking possession of the Premises or removing and storing furniture or property, as herein provided, and will save Lessor harmless from loss, costs or damages occasioned Lessor thereby, and no such re-entry shall be considered or construed to a forcible entry.

21. ATTORNEY'S FEES. In the event any sums payable to Lessor hereunder are collected at law or through any attorney at law, Lessee shall pay, in addition to such sums, fifteen percent (15%) thereof for attorney's fees. Lessee shall pay all attorney's fees and expenses Lessor incurs in enforcing any other obligation of Lessee hereunder, or in connection with any litigation or negotiations in which Lessor shall, without its fault, become involved through or on account of this Lease.

22. NOTICES. All notices and demands permitted or required to be given by either party to the other hereunder shall be deemed to have been fully given when in writing and deposited in the United States mail, certified or registered, postage prepaid, and addressed as follows:

(a) to Lessee at Room 801 Municipal Building, 530 Greene Street, Augusta, GA 30911, Attn: Administrator, or to such other place as Lessee may from time to time designate in a written notice to Lessor;

(b) to Lessor at 925 Laney-Walker Blvd, Augusta, Georgia, 30901, or to such other place as Lessor may from time to time designate in a notice to Lessee.

23. NO ESTATE. This contract and Lease shall create the relationship of landlord and tenant between Lessor and Lessee; no estate shall pass out of Lessor; and Lessee shall have only a usufruct which is not subject to levy and sale.

24. BINDING EFFECT. The provisions of this Lease shall bind and inure to the benefit of Lessor and Lessee, and their respective successors, heirs, legal representatives and permitted assigns; it being understood that the term "Lessor", as used in this Lease, means only the owner for the time being of the Building of which the Premises are a part, so that in the event of any sale or sales of said Building or of any lease for years thereof, the Lessor named herein shall be and hereby is entirely freed and relieved of all covenants and obligations of Lessor hereunder accruing thereafter, and it shall be deemed without further agreement that the purchaser, or the tenant for years, of or from Lessor, as the case may be, has assumed and agreed to carry out any and all covenants and obligations of Lessor hereunder during the period such party has possession of the Building. Should the entire Building be severed from the Land as to ownership by sale and/or lease, then the owner of the entire Building or tenant for years of the entire Building that has the right to lease space in the Building to other tenants shall be deemed the "Lessor". Lessee shall be bound to any succeeding party of Lessor for all the terms, covenants and conditions hereof and shall execute any attornment agreement not in conflict herewith at the request of any succeeding party of "Lessor" or Lessor.

25. ESTOPPEL CERTIFICATES. Lessee shall, from time to time, and upon ten (10) days prior written request by Lessor or by a holder of a deed to secure debt on the Building ("Mortgagee") execute, acknowledge and deliver, in recordable form, to Lessor or as Lessor may direct or to a Mortgagee, as the case may be, a written statement certifying that this Lease is unmodified and in full force and effect (or if there have been modifications that the same is in full force and effect as modified and stating the modifications), the date of commencement of this Lease, the dates to which annual rental, additional rental, and the charges have been paid, that this Lease is in full force and effect, that Lessee is in possession of the Premises paying the full lease rental, that no rental payments have been made in advance except as stated in the Lease, and whether, to the best knowledge of Lessee, Lessor is in default hereunder (and if so, specifying the nature of the default and the steps, if any, being taken to cure same), it being intended that any such statement delivered pursuant to this paragraph may be relied upon by any person dealing with Lessor with respect to Lessor's interest in the Premises.

26. RENT CONTROL. Lessee hereby waives the benefits of all existing and future Rent Control Legislation and similar government regulations (which may be applicable with respect to this Lease, or Lessee's right hereunder), whether in time of war or not, to the extent not prohibited by law.

27. OWNER AND MANAGER. Lessor gives to Lessee and Lessee acknowledges having the following information:

(a) the name of the owner of record of the Building in which the Premises are located is Augusta Neighborhood Improvement Corporation, and their address is 925 Laney-Walker Blvd, Augusta Georgia, 30901.

(b) the names of the persons authorized to manage the Building in which the Premises are located is Augusta Neighborhood Improvement Corporation, and their address is 925 Laney-Walker Blvd, Suite 302, Augusta Georgia 30901.

28. APPLICATION OF LESSEE'S PAYMENTS. Lessor may accept any and all payments by or for the account of Lessee, without prejudice to the claims of Lessor; and Lessor may apply the same to or for the account of Lessee in such manner, order or priority as Lessor may determine in Lessor's sole discretion notwithstanding any designation by Lessee of application to the contrary or whether a different amount than that demanded, claimed or anticipated by Lessor.

29. WAIVER OF CERTAIN RIGHTS. Lessee waives the rights and benefits of Section VI of Georgia Laws 1970, page 968 at page 972 (which section provides that tender of rents and costs within seven days of service of a dispossessory summons is a defense to said summons), and any amendments thereto.

30. MISCELLANEOUS.

(a) The words "Lessor" and "Lessee" as used herein shall include the plural as well as the singular. Words used in masculine gender include the feminine and neuter and words used in the neuter include the masculine and feminine. If there be more than one Lessee, the obligations hereunder imposed upon Lessee shall be joint and several.

(b) The paragraph headings of this Lease are for reference convenience only, and are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

(c) Time is of the essence of this Lease and each and all of its provisions.

(d) Submission of this instrument for examination or signature by Lessee does not constitute a reservation of or option to lease, and it is not effective as a lease or otherwise until execution and delivery by both Lessor and Lessee.

(e) The terms, covenants, agreements and conditions herein contained, shall, subject to the provisions as to assignment and subletting, apply to and bind the heirs, successors, executors, administrators, assigns and subtenants of the parties hereto, unless otherwise provided herein.

(f) This Lease is made and entered into in the State of Georgia, relates to premises located and duties to be performed in the State of Georgia, and shall, in all respects, be interpreted in accordance with the laws of the State of Georgia.

(g) This Lease represents the entire understanding and agreement between the parties relating to the subject matter hereof and supersedes all prior negotiations and agreements relative thereto. The language in all parts of this Lease shall in all cases be construed as a whole according to its fair meaning and not strictly for or against either Lessor or Lessee.

(h) This Lease may be executed in counterparts, each of which, when fully executed, shall be deemed an original, and all of which shall be but one Agreement. In the event of any conflict between any of such counterparts, the original or copy hereof held by Lessor, including all exhibits thereto, shall control.

(i) If any term, covenant or condition of this Lease of the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term, covenant or condition to any other person or circumstance, shall not be affected thereby and each term covenant or condition of this Lease shall be valid and enforceable to the fullest extent permitted by law.

(j) No failure or delay of Lessor to exercise any right or power given it herein or to insist upon strict compliance by Lessee of any obligation imposed upon it herein and no course of dealing or custom or practice of either party hereto at variance with any term hereof shall constitute a waiver or a modification of the terms hereof by Lessor or its right to demand strict compliance with the terms hereof by Lessee.

31. SPECIAL STIPULATIONS. The following Special Stipulations are hereby made a part of this Lease and shall control in the event they conflict with any of the foregoing provisions of the Lease:

(a) Attention is directed to Exhibits A, B, & C attached hereto and by reference made a part hereof.

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written.

LESSOR: Augusta Neighborhood Improvement Corp.

SIGNATURE:

TITLE: PRESIDENT AND CEO

LESSEE: Augusta, Georgia

BY:

SIGNATURE:

TITLE:

(Corporate Seal)

ATTEST:

TITLE:

Personal Guaranty (per attached guaranty Agreement)

By:________________________________________

AGENT:

Augusta Neighborhood Improvement Corp.

By:

For office location only

Not to scale

**EXHIBIT "A"**

# EXHIBIT "B"

# RULES AND REGULATIONS

1. No sign, picture, advertisement or notice of any kind shall be displayed on Premises, or on any part of the Building unless the same is first approved by Lessor.

2. Lessee shall have the right to be furnished with two keys for every lock on doors in the Premises, however, additional keys must be made at Lessee's expense. No additional locks shall be placed upon any doors of the Premises, and upon termination of the Lease, Lessee shall surrender to Lessor all keys to the Premises.

3. Lessor, its agents and employees, shall be permitted in the Premises at all reasonable hours for the purpose of making any repairs, and for any other reasonable purposes.

4. No electric current shall be used by the Lessee except that furnished or approved by the Lessor, nor shall electric or other wires be brought into the Premises except upon the written approval of Lessor, and any electric current in excess of that considered by Lessor to be normal for all Lessees in the Building shall be paid for by Lessee, under such rates as are established by Lessor.

5. Lessee shall not without first obtaining Lessor's written consent, employ or contract with any person to do cleaning or perform janitorial services in the Premises.

6. The sidewalks, entrances, passages, halls and stairways shall not be obstructed in any way by Lessee, its agents or employees, or used by them for purposes other than ingress to and egress from the Premises.

7. All equipment, furnishings or other heavy articles used by the Lessee in Premises shall be carried into Premises only at such times and in such manner as shall be prescribed by Lessor. Any damage done to the Building or any part thereof by moving or removing said articles or from overloading any floor in any way shall be paid by Lessee. Defacing or damaging any part of the Premises or Building in any way by Lessee, its agents or employees shall be repaired at Lessee's expense.

8. No animals, birds, bicycles or other vehicles shall be brought into the offices, halls or elsewhere in the Building by Lessee, its agents or employees.

9. Restrooms and other water facilities shall be used for any purpose other than those for which they are intended and any damage resulting to them from misuse shall be repaired at Lessee's expense.

10. In the event Lessor provides venetian blinds or draperies in the office space used by Lessee, Lessee shall use such care and diligence to protect them as may be required by Lessor.

11. Outside windows in the Premises shall not be covered or obstructed by Lessee in any way without first obtaining Lessor's written consent.

12. The Lessee at its sole expense shall comply with all laws, orders, and regulations of federal, state, and municipal authorities, and with any direction of any public officer, pursuant to law, which shall impose any duty upon the Lessor or the Lessee with respect to the leased property. The Lessee, at its sole expense, shall obtain all licenses or permits which may be required for the conduct of its business within the terms of this Lease, or for the making of repairs, alterations, improvements, or additions, and the Lessor, where necessary, will join with the Lessee in applying for all such permits or licenses.

13. The Lessor reserves the right to make such other and further reasonable Rules and Regulations as in the Lessor's judgement

may from time to time be needed for the safety, care and cleanliness of the Building and Project and for the preservation of good order therein and such other or further Rules and Regulations shall be binding upon Lessor and Lessee the same as if they had been inserted herein at time of execution of the Lease Agreement into which these Rules and Regulations are incorporated.

**EXHIBIT "C"**

Special Stipulations to the Lease dated__________________, between, Augusta Neighborhood Improvement Corp. **LESSOR**, and The City of Augusta . , **LESSEE**.

30 (A) Paragraph 18 (f) (5) is amended to add: "Declare immediately due and payable all rentals, increased rentals, additional rentals and other charges and assessments against Lessee due or to become due under this Lease".

30 (B) Door Sign: Lessor at Lessor's expense will provide and install one door sign at the entrance of said offices and one Lobby Directory strip. Door sign to include company name only. All other individual and company signs requested by Lessee shall be at Lessee's expense and approved in advance by Lessor.

30 (C) Permissible Uses: The premises shall be used solely as business offices for the Lessee. Residential use of any area of the premises is forbidden by fire code. Lessor assumes that Lessee will have a reasonable number of visitors which will not interfere with the building's operation or the business of other tenants.

30 (D) Compliance with Laws: The Lessee hereby covenants and agrees to comply with all the rules and regulations of the Board of Fire Underwriters, Officers or Boards of the City, County or State having jurisdiction over the leased Premises, and with all ordinances and regulations of governmental authorities wherein the leased Premises are located, at Lessee's sole cost and expense, but only insofar as any of such rules, ordinances and regulations pertain to the manner in which the Lessee shall use the leased Premises; the obligation to comply in every other case, and also all cases where such rules, regulations and ordinances require repairs, alterations, changes or additions to the building (including the leased premises) or building equipment, or any part of either, being hereby expressly assumed by Lessor and Lessor covenants and agrees promptly and duly to comply with all such rules, regulations and ordinances with which Lessee has not herein expressly agreed to comply.

30 (E) Interruption of Service: Notwithstanding the foregoing, if such services remain interrupted for a period of fifteen (15) days or more, from any cause whatsoever, including and force majeure events, Lessee shall have the option of immediately voiding this Lease in order to secure alternative space. In any event, Lessee shall be entitled to full abatement of rent during such period when such services are interrupted. Lessor agrees to use its best efforts to minimize any such interference.

30 (F) Indemnity: Notwithstanding the foregoing, (i) Lessee shall have no obligation to indemnify Lessor with regard to any amount against when the Lessor has been effectively insured, any amounts for which Lessor has the right of compensation of indemnification by any other party, or for any claims to the extent they arise from the negligent or intentional acts or omissions of Lessor, its agents, employees, or contractors; (ii) Lessee shall be liable for the negligence of misconduct of its agents and employees only if they were acting within the course and scope of their agency or employment; (iii) Lessee shall only be liable for claims or damages that arise during the term of this Lease; and (iv) Lessee shall be liable for the negligence or misconduct of any visitor, invitee, licensee, concessionaire, or of any other person entering the Leased Premises under the express or implied invitation of Lessee only if such negligence of misconduct occurred within the Leased Premises.

Further, Lessor agrees to indemnify, defend and hold Lessee harmless from and against any and all loss, liability, and expense by any person arising out of either injury or damage in the "Common Areas" of the Building, arising out of Lessor's default in its obligations under this Lease or arising out of Lessor's negligent acts or that of its agents, employees, or contractors, which result in injury or damage within the Premises.

30 (G) Assignment Clause: Notwithstanding the foregoing, Lessee shall have the right to assign its interest under this Lease to its subsidiaries, affiliates, or successor legal entities without notice or consent.

30 (H) Partial or Total Destruction: If, as a result of any partial or total destruction or damage the demised premises shall be rendered untenantable for the purposes stated herein, and if in Lessee's reasonable opinion such untenantable condition is likely to persist for sixty (60) days or more, Lessee may, by written notice to Lessor, terminate this Lease as of the date of such destruction or damage.

30 (I) Lessor Default: In the event Lessor shall default in the performance of any of the covenants, obligations or agreements of this Lease and such default shall continue for thirty (30) days after receipt of written notice setting forth such default, and Lessor is not engaged in diligently pursuing to cure such default, Lessee shall have the right to cure such default and to recover all costs of curing said default from Lessor, or Lessee shall have the right to terminate this Lease.

30 (J) Notices: All correspondence and notices are to be sent to:

The City of Augusta. (Lessee)

Augusta, GA 30901

30 (K) Environmental Liability:

(a) Lessor shall and does hereby agree to indemnify, defend and hold harmless Lessee, its successors and assigns, from and against any and all liability, loss, or expense, including attorneys' fees, whether now existing or arising, in connection with any federal or state statute, law, ordinance, regulation of judgement related to the existence, disposal or release of contaminants or pollutants on said Premises. This covenant shall survive termination of this Lease.

(b) Lessor hereby warrants and represents that, no waste materials, no hazardous materials, including asbestos, and no hazardous substances have been disposed of or placed on the property except for minor spills incidental to normal operations. Lessor further warrants and represents that all underground tanks on the property were properly registered with the appropriate governmental agency and that such tanks are not leaking. This covenant shall survive termination of this Lease.

(c) Lessee shall and does hereby agree to defend and hold harmless Lessor, its successors and assigns, from and against any and all liability, loss or expense, including attorney's fees, whether now existing or arising in connection with any federal or state statute, law, ordinance, regulation or judgement related to the existence, disposal or release of contaminants or pollutants brought onto said premises by the Lessee. This covenant shall survive termination of this Lease.

30 (L)Additional Stipulations: