

MANAGEMENT AND OPERATIONS AGREEMENT

This MANAGEMENT AND OPERATIONS AGREEMENT (this "Agreement") is made as of _____, 2025, effective as of _____, 2025, by and between The City of Augusta, GA (the "Owner"), and The Forge Augusta, Incorporated, a Georgia corporation (the "Manager").

RECITALS

WHEREAS, Owner and Manager have contributed to the design and development of The Forge: Augusta Outdoor Adventure Center in the City of August, Georgia (the "Adventure Park"); and

WHEREAS, Owner desires to engage Manager to manage the Adventure Park, and the Manager desires to retain, operate and manage the Adventure Park on the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants, agreements, representations and warranties contained herein, and intending to be legally bound hereby, the parties hereto hereby agree as follows:

1. Appointment of Manager; Relationship of Owner and the Manager.

Manager shall provide management and operational support services to the Owner, as hereinafter provided. Manager shall be independent of the Owner. Nothing contained herein shall be deemed to make or render the Owner a partner, co-venturer or other participant in the business or operations of the Manager, or in any manner to render Owner liable, as principal, surety, guarantor, agent or otherwise for any of the debts, obligations or liabilities of Manager. Similarly, nothing contained herein shall be deemed to make or render the Manager a partner, co-venturer or other participant in the business or operations of the Owner, or in any manner to render Manager liable, as principal, surety, guarantor, agent or otherwise for any of the debts, obligations or liabilities of Owner.

2. Management Services.

Commencing on the effective date of this Agreement, Manager will provide, supply and render such management and operational support services as are necessary to provide service to the Owner and, as more specifically described below, shall:

- a. Administer and supervise all of the finances of the Adventure Park, including payroll, taxes, accounting, bookkeeping, record keeping, managing of accounts payable, and accounts receivable, banking, financial records and reporting functions, with the power to make such changes therein, in its sole discretion, and to incorporate such functions into systems used by Manager. Manager shall prepare and maintain financial statements for the Business according to generally accepted accounting principles consistently applied and shall provide the Owner with unaudited annual operating reports reviewed by a third-party accounting firm and unaudited quarterly operating reports and statements including but not limited to cash flow statements and income statements and such other reports and information as may be requested by Owner from time to time. At such time as additional capital improvements are added to the Adventure Park or gross revenue from the operations

or the Adventure Park surpass Three Million Dollars (\$3,000,000) in a calendar year, the parties will meet regarding this provision and determine if a higher degree of review or an independent audit is merited for the Adventure Park financial statements, and, if so, shall amend this Agreement to reflect the agreed accounting requirements.

- b. Select, employ and train all personnel necessary to service the Adventure Park.
- c. Supervise and control the purchase of all materials and supplies, and acquire, lease, dispose of and repair equipment and facilities necessary to provide safe and adequate service at the Adventure Park. This shall include, without limitation, the requirement to obtain third party inspections of the structures and equipment consistent with standard industry practice and applicable law, to maintain the equipment in a safe condition and keep insurance coverage on the facility, as well as any damage, theft or loss of equipment, which shall also be insured as is customary in the industry.
- d. Commence, defend and control all legal actions, arbitrations, investigations and proceedings that arise due to events occurring in connection with the Adventure Park during the term of this Agreement.
- e. Maintain the assets of the Owner in good repair, order and condition, normal and reasonable wear and tear excepted.
- f. The Manager agrees that at all times during the term of this Agreement it shall, to the extent the Owner has adequate funds thereto:
 - a. Do nothing, and permit nothing to be done (which is within the control of the Manager), which will or might cause the Adventure Park to operate in an improper or illegal manner.
 - b. Not cause a default in any of the terms, conditions and obligations of any of the contracts and other agreements of the Owner with respect to the Adventure Park.
 - c. To the extent permissible by law, maintain in full force any and all licenses and permits necessary to operate the Adventure Park in the State of Georgia and comply fully with all laws respecting its formation, existence, activities and operations.
 - d. Allow the Owner and the employees, attorneys, accountants and other representatives of the Owner, full and free access to its books and records, and all of the facilities of the Adventure Park with reasonable advance notice and at times designed to minimize interruption to the business.

Notwithstanding the foregoing, the Manager shall not have the authority, without the express written consent of the Owner, to purchase in the name of the Owner, or for use by the Owner, any assets outside the ordinary course of business, or incur any indebtedness outside the ordinary course of business. Notwithstanding the foregoing, if Manager, in its reasonable discretion, deems it necessary to acquire additional equipment or to replace equipment damaged in the ordinary course of business in order to operate the Adventure Park in a more profitable manner, and such expenditure is in an amount that is less than \$5,000, then Manager may make such purchase during the operating year and submit the item to the Owner for consideration in its capital expenditure budget at the end of the year. If Owner does not approve reimbursement of the purchase, then Manager may remove the equipment from the Adventure Park or may

decide to rent the piece of equipment to the Adventure Park at a rate that is consistent with the amount that would be paid to an unrelated third party for such rental.

3. Obligations of the Owner.

Prior to the expiration of this Agreement, the Owner shall provide the Manager with true and correct information relating to all functions for which the Manager has responsibility hereunder and shall not take any action to interfere with the Manager's performance of its duties hereunder. Owner shall reasonably consider any capital request made by Manager, if made by November 15 of any year of this Term, for capital expenditures reasonably designed to improve the Adventure Park for the subsequent operating year.

4. General and Administrative Activities.

To the extent that Manager shall deem it necessary or desirable, Manager shall have the power and authority to combine and integrate, at its own office premises, certain "general and administrative" (as such term is used in accounting practice) activities of the Business, including, but not limited to, all accounting, bookkeeping, human resources, legal, record-keeping, paying, receiving and other fiscal or financial activities, with those of Manager, provided that any obligation of the Owner to share or defer costs of such office shall be subject to the subsequent agreement of the Owner.

5. Location.

During the term of this Agreement, the operations of the Adventure Park will be serviced by Manager from the Manager's office at the Adventure Park or any other location selected by Manager.

6. Revenue Share and Customer Engagement/Pricing.

a. Customer Pricing. Manager shall have the right to set the prices, discounts, and make decisions regarding income generating activities. Manager shall consult with Owner regarding the pricing structure and Owner shall provide prompt feedback regarding the pricing. Manager shall not charge an amount for the activities that is substantially higher or lower than the market value of such activities in the area of the country where the activities are located, as is reasonably determined by Manager.

b. Operating Expenses. Manager is responsible for the operational expenditures of the Adventure Park, including, without limitation, expenses for employees, operational software, sales and marketing, legal, accounting, administrative, insurance, security, website, and maintenance of the Adventure Park and the equipment used by guests and participants.

c. Capital Expenses. Owner purchased the capital assets that are being used by the Adventure Park. Unless otherwise agreed upon in writing, new capital equipment, including replacement of the present equipment in the ordinary course of business shall be the responsibility of Owner. On or before November 15 of each calendar year, Manager shall provide Owner with an annual estimate of any replacement capital expenditures and shall make a recommendation of suggested capital additions to the Adventure Park, which recommendation shall include a cost benefit analysis pertaining to each recommended capital expenditure.

d. Payment to Owner. Manager shall, on a monthly basis, provide Owner with an activity report showing revenue and expenses of the Adventure Park for the prior period. Additionally, Manager shall make a payment to Owner, on a quarterly basis, in the amount of three percent (3%) of the net revenue of the Adventure Park. These payments shall be made by the 20th day of the month following the close of the preceding quarter. For the purposes hereof, the net revenue shall equal the gross revenue for all activities less the amount returned to customers as returns, allowances or refunds. Owner may audit the activity report and calculation of Owner's payment for up to the prior six months of activity upon reasonable request, which request shall be made not more than two (2) times in any calendar year. Owner shall pay the cost of the audit and shall reimburse Manager for its time in responding to the audit if the results of the audit show Manager's report to be accurate. Manager shall retain for its own account the remaining revenue (if any) after payment of operational expenses and the payment to Owner as herein described.

7. Term of Agreement; Termination of Rights.

(a) The term of this Agreement shall commence on its execution and shall become effective on the Effective Date hereof and terminates absolutely and without further obligation on the part of Augusta, Georgia each and every December 31st, unless terminated earlier in accordance with the termination provisions of the Agreement. The term of this agreement automatically renews on each January 1st, unless terminated in accordance with the termination provisions of the Agreement. The Agreement shall terminate without any further renewals upon December 31, 2030. Upon termination of this Agreement, all books and records relating to the operation of the Adventure Park shall be immediately returned to the Owner. Notwithstanding the foregoing, the Owner may terminate this Agreement prior to the expiration of its term upon ninety (90) days advance notice which termination shall be effective upon the expiration of the ninety (90) day notice period and payment of the termination fee, as is set forth below. The parties acknowledge Manager shall provide significantly more time, effort, expertise and expense in the first 18 months of the term of this Agreement and expects to receive the benefit of such effort over the term hereof through 2030. Accordingly, if the Agreement is not renewed on January 1 of any year of the term or if Owner otherwise terminates this Agreement prior to December 31, 2030, Owner shall pay Manager a termination fee based upon the date of termination or non-renewal as follows: (1) if terminated prior to 1/1/2026 a payment of \$60,000; (2) if terminated after 12/31/2025 and prior to 1/1/2027 a payment of \$50,000; (3) if terminated after 12/31/26 and prior to 1/1/28 a payment of \$40,000; (4) if terminated after 12/31/27 and prior to 1/1/29 a payment of \$30,000; (4) if terminated after 12/31/28 and prior to 1/1/30 a payment of \$20,000; and (5) if terminated after 12/31/29 and prior to 12/31/30 a payment of \$10,000.

(b) In the event of a default by Manager under this Agreement (as defined below), Owner may, at its option, provide written notice of such default, with such notice setting forth the alleged default, and thereafter Manager shall have thirty (30) days to cure such default. If, after expiration of the thirty (30) days' written notice terminate this Agreement (if such default is not cured within such thirty (30) day period or such longer period as required to effect a cure if a cure is commenced within 30 days and diligently prosecuted), then Owner may terminate the Agreement. Default shall be defined as: (i) Manager violates any material provision of this Management Agreement; (ii) Manager violates or is in material breach of any provision, representation, warranty, covenant or undertaking set forth herein; or (iii) Manager: (a) makes an assignment for the benefit of creditors, (b) is adjudicated a bankrupt, (c) files or has filed against it any bankruptcy, reorganization, liquidation or similar petition or any petition seeking the appointment of a receiver, conservator or other representative, or (d) proposes a composition arrangement with creditors. The date on which this Agreement is terminated pursuant to Section 9(a) above or this Section 9(b) is hereinafter referred to as the "Expiration Date."

8. Indemnification.

(a) By Manager: Manager shall indemnify, defend and hold harmless Owner and its affiliates, their respective shareholders, officers, directors, employees, and agents, against and in respect of any and all losses, claims, damages, causes of action, actions, obligations, liabilities, deficiencies, suits, proceedings, actual out-of-pocket obligations and expenses (including cost of investigation, interest, penalties and reasonable attorneys' fees) (collectively, "Losses") arising out of or due to the operation of the Adventure Park - other than incident to the profit and loss generated at the Adventure Park in the ordinary course of business - by Manager, its affiliates, agents, servants and/or employees. The obligations set forth in this Section 10(a) shall survive for a period of one (1) year following the Expiration Date.

(b) By Owner: Owner shall indemnify, defend and hold harmless Manager and its affiliates, their respective shareholders, officers, directors, employees, and agents, against and in respect of any and all Losses arising out of or due to the negligent ownership of the Adventure Park by Owner, its affiliates, agents, servants and/or employees prior to the commencement of the term of this Management Agreement and with respect to operating losses. The obligations set forth in this Section 10(b) shall survive for a period of one (1) year following the Expiration Date.

(c) If a party entitled to indemnification (the "Indemnatee") receives notice of any claim or the commencement of any action or proceeding with respect to which a party is obligated to provide indemnification (the "Indemnifying Party") pursuant to subsections (a) and (b) of this Section, the Indemnatee shall promptly give the Indemnifying Party notice thereof ("Indemnification Notice"). Such Indemnification Notice shall be a condition precedent to any liability of the Indemnifying Party under the provisions for indemnification contained in this Agreement. Except as provided below, the Indemnifying Party may compromise, settle or defend, at such Indemnifying Party's own expense and by such Indemnifying Party's own counsel, any such matter involving the asserted liability of the Indemnatee. In any event, the Indemnatee, the Indemnifying Party and the Indemnifying Party's counsel shall cooperate in the compromise of, or defense against, any such asserted liability. If the Indemnifying Party provides the Indemnatee a defense to a third-party claim at the Indemnifying Party's cost with a qualified attorney, Indemnatee may participate and/or monitor the defense with an attorney of the Indemnatee's selection (at the Indemnatee's own expense). Provided that the Indemnifying Party pays for the full cost of the settlement of any claim, the Indemnifying Party may settle any claim without the consent of the Indemnatee. If the Indemnifying Party chooses to defend any claim, the Indemnatee shall make available to the Indemnifying Party any books, records or other documents within its control that are necessary or appropriate for such defense.

9. Additional Provisions.

(a) This Agreement sets forth the entire understanding and agreement among the parties hereto with reference to the subject matter hereof and may not be modified, amended, discharged or terminated except by a written instrument signed by the parties hereto.

(b) This Agreement shall be governed by, and construed in accordance with, the laws of the State of Georgia applicable to agreements made, delivered and to be performed within such State.

(c) This Agreement may not be assigned by Owner or Manager, except that Manager may in its sole discretion assign this Agreement to a properly licensed affiliate performing similar types of services. Upon

any assignment Manager shall remain primarily liable and also be jointly and severally liable to Owner for performance of Manager's duties herein.

(d) All of the terms and provisions of this Management Agreement shall be binding upon, inure to the benefit of, and be enforceable by each of the parties hereto and their respective successors and assigns. Except for affiliates of the Owner and Manager and their respective shareholders, officers, directors, employees and agents, no person other than the parties hereto shall be a third-party beneficiary of this Agreement or have any rights hereunder.

(e) No failure on the part of any party hereto to exercise, and no delay in exercising, any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy hereunder preclude any other or further exercise thereof or the exercise of any other rights, power or remedy.

(f) No publicity release or announcement concerning this Agreement or the transactions contemplated hereby shall be issued without advance approval of the form and substance thereof by Owner.

(g) Any legal action, suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby shall be instituted in the Richmond County Superior Court in the State of Georgia, and each party waives any objection which such party may now or hereafter have to the laying of the venue of any such action, suit or proceeding, and irrevocably submits to the jurisdiction of that court in any such action, suit or proceeding. Any and all service of process and any other notice in any such action, suit or proceeding shall be effective against any party if given by registered or certified mail, return receipt requested, or by any other means of mail which requires a signed receipt, postage prepaid, mailed to such party as herein provided. Nothing herein contained shall be deemed to affect the right to any party to service of process in any other manner permitted by law.

(h) If any provision of this Agreement shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such determination shall not affect the remaining provisions of this Agreement, all of which shall remain in full force and effect.

(i) This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which shall constitute one and the same instrument.

(j) The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

(k) The Manager shall not sell, convey, transfer, mortgage, subcontract, sublease or assign this Agreement or any part thereof, or any rights created thereby, without the prior written consent of Augusta. Any assignment or transfer of this Agreement or any rights of the Manager hereunder, without the prior written consent of Augusta shall be invalid, and shall convey to Owner the right to terminate this Agreement at its sole discretion.

(l) Augusta, Georgia may, at reasonable times, inspect the part of the plant, place of business, or work site of Manager or any subcontractor of Manager or subunit thereof which is pertinent to the performance of any contract awarded or to be awarded by Owner. Manager agrees to maintain records of costs and services provided to document and fully support billings. All books, records and other documents relevant to this agreement shall be retained for a period of three years after the end of the fiscal year during which they were created. Augusta and their duly authorized representatives shall have access to the books, documents, papers, and records of Manager which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcripts.

(m) M. All contractors and subcontractors entering into contracts with Augusta, Georgia for the physical performance of services shall be required to execute an Affidavit verifying its compliance with O.C.G.A. § 13-10-91, stating affirmatively that the individual, firm, or corporation which is contracting with Augusta, Georgia has registered with and is participating in a federal work authorization program. All contractors and subcontractors must provide their E-Verify number and must be in compliance with the electronic verification of work authorized programs operated by the United States Department of Homeland Security or any equivalent federal work authorization program operated by the United States Department of Homeland Security to verify information of newly hired employees, pursuant to the Immigration Reform and Control Act of 1986 (IRCA), P.L. 99-603, in accordance with the applicability provisions and deadlines established in O.C.G.A. § 13-10-91 and shall continue to use the federal authorization program throughout the contract term. All contractors shall further agree that, should it employ or contract with any subcontractor(s) in connection with the physical performance of services pursuant to its contract with Augusta, Georgia the contractor will secure from such subcontractor(s) each subcontractor's E-Verify number as evidence of verification of compliance with O.C.G.A. § 13-10-91 on the subcontractor affidavit provided in Rule 300-10-01-.08 or a substantially similar form. All contractors shall further agree to maintain records of such compliance and provide a copy of each such verification to Augusta, Georgia at the time the subcontractor(s) is retained to perform such physical services.

(n) Manager acknowledges that this contract and any changes to it by amendment, modification, change order or other similar document may have required or may require the legislative authorization of the Board of Commissioners and approval of the Mayor. Under Georgia law, Manager is deemed to possess knowledge concerning Augusta, Georgia's ability to assume contractual obligations and the consequences of Manager's provision of goods or services to Augusta, Georgia under an unauthorized contract, amendment, modification, change order or other similar document, including the possibility that the Manager may be precluded from recovering payment for such unauthorized goods or services. Accordingly, Manager agrees that if it provides goods or services to Augusta, Georgia under a contract that has not received proper legislative authorization or if the Contractor provides goods or services to Augusta, Georgia in excess of the any contractually authorized goods or services, as required by Augusta, Georgia's Charter and Code, Augusta, Georgia may withhold payment for any unauthorized goods or services provided by Manager. Manager assumes all risk of non-payment for the provision of any unauthorized goods or services to Augusta, Georgia, and it waives all claims to payment or to other remedies for the provision of any unauthorized goods or services to Augusta, Georgia, however characterized, including, without limitation, all remedies at law or equity.

(o) The Manager shall obtain and maintain all licenses, permits, liability insurance, workman's compensation insurance and comply with any and all other standards or regulations required by federal, state or City statute, ordinances and rules during the performance of any contract between the Manager and Owner. Manager shall also provide, pay for, and maintain with companies, reasonably satisfactory to Augusta, the types of insurance as set forth in the Augusta-Richmond County Code, and Georgia law as the same may be amended from time to time.

(p) During the performance of services under this Agreement, Manager agrees that it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, age, or national origin. Manager will take affirmative action to ensure that applicants are employed, and employees are treated during employment, without regard to their race, color, religion, sex, age, or national origin. Such action will include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(q) All notices, consents, approvals or communications required or permitted hereunder shall be and may be relied upon when in writing and shall be (i) transmitted by registered or certified mail, postage prepaid, return receipt requested, with notice deemed to be given upon receipt, or (ii) delivered by hand or nationally recognized courier service, or (iii) sent by facsimile transmission with confirmed receipt thereof, with a hard copy thereof transmitted pursuant to (i) or (ii) above. All such notices, consents, approvals or communications shall be addressed as follows:

For Owner: Office of the Mayor
535 Telfair Street
Suite 200
Augusta, Georgia 30901

Recreation and Parks Department
ATTN: Charles Jackson
2027 Lumpkin Rd
Augusta, GA 30906

With a Copy to: General Counsel
Augusta Law Department
535 Telfair Street, Building 3000
Augusta, GA 30901

For Manager:

IN WITNESS WHEREOF, the parties have executed this Management Agreement as of the date first above written.

Signed this _____ day of _____, 2024.

MANAGER:

The Forge Management, LLC

Signature

Name

Title

OWNER:

Augusta, Georgia

Garnett L. Johnson

Garnett L. Johnson

Name

Mayor

Title