

FACILITY MANAGEMENT AGREEMENT

THIS FACILITY MANAGEMENT AGREEMENT (this “Agreement”), is made as of July 1st, 2025 (the “Effective Date”), by and between the Walton County Board of Commissioners (“Owner”), and TKC MANAGEMENT SERVICES, LLC, a North Carolina limited liability company (“Manager”).

RECITALS:

WHEREAS, Owner is the fee simple owner of that certain real property and the improvements located thereon situated in Walton County, GA as more particularly described on Schedule 1 hereto (the “Facility”), which consists of a detention facility containing approximately 260,000 square feet generally known as Walton County Public Safety Complex.

WHEREAS, Owner desires to employ an agent who will be responsible for managing the Facility and implementing the decisions of Owner as more particularly set forth in this Agreement;

WHEREAS, Manager is an experienced real estate Facility management firm, and Manager desires to perform facility management services for Owner with respect to the Facility; and

WHEREAS, Owner and Manager desire to enter into this Agreement and set forth their respective rights and obligations relating to the grant by Owner, and the assumption by Manager, of the management of the Facility.

AGREEMENT:

NOW THEREFORE, in consideration of the mutual covenants and promises set forth herein, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

Appointment and Authority of Manager

Section 1.01 Appointment of, and Acceptance by, Manager. Owner hereby appoints Manager, and Manager hereby accepts appointment, as the sole and exclusive management agent with respect to the Facility for the benefit of Owner as hereinafter set forth.

Section 1.02 Authority of Manager. Owner hereby authorizes Manager to exercise such powers with respect to the Facility as may be necessary or appropriate for the performance of Manager’s obligations under this Agreement, and Manager accepts such authority on the terms and conditions hereinafter set forth; provided, that Manager shall have no right or authority, express or implied, to commit or otherwise obligate Owner in any manner whatsoever except to the extent specifically provided herein or specifically authorized in writing by Owner.

Section 1.03 Limitations and Restrictions on Manager’s Authority. Notwithstanding any provisions of this Agreement, Manager shall not take any action, expend any sum, make any decision, give any consent, approval or authorization, or incur any obligation on behalf of Owner with respect to any of the following matters unless and until the same has been approved by Owner:

(a) construction of any improvements or the making of any capital improvements, material repairs, alterations or changes in, to or of the Facility except as may be authorized herein or otherwise expressly delegated in writing to Manager by Owner;

(b) retention of counsel for Owner or institution of any legal action, except for such action as Owner may expressly authorize Manager to institute; and

(c) making any expenditure or incurring any obligation by or on behalf of Owner involving a sum in excess of \$5,000.00, except for expenditures made and obligations incurred pursuant to and specifically set forth in the Budget (defined below) theretofore approved by Owner or as may be authorized herein or in guidelines approved by Owner.

Section 1.04 Mutual Cooperation. Manager and Owner agree to cooperate fully and freely in connection with the performance of Manager's duties hereunder.

ARTICLE II

Manager's Agreements

Section 2.01 General. Manager, at the expense of and on behalf of Owner, shall implement or cause to be implemented all lawful decisions of Owner of which Manager shall have received prior written notice regarding the Facility in accordance with and as limited by this Agreement. So long as Owner shall have given Manager prior written notice thereof, Manager shall at all times conform to the lawful policies and programs established and approved by Owner and the scope of Manager's authority shall be limited to said policies and programs. Manager shall reasonably keep Owner promptly informed as to all material matters concerning the Facility.

Section 2.02 Manager's Duties for Management of the Facility. In carrying out its obligations under this Agreement with respect to the management of the Facility, Manager shall:

(a) Operate and maintain the Facility and all appurtenant equipment, landscaping and parking facilities in accordance with customary and industry standard facility management practices. Owner agrees to cooperate with Manager in connection with the foregoing. Manager shall take commercially reasonable efforts to comply with response and completion times as set forth on the attached Schedule 2.02(a), and shall notify Owner promptly of any inability to comply with any expected response or completion time.

(b) Negotiate and, except as hereinafter provided in this Section 2.02(b), when approved by Owner, enter into and supervise and perform contracts on behalf of Owner. Manager, without prior consultation with Owner, shall have the right to enter into contracts at Owner's expense for terms limited to Owner's possession of the Facility, for exterior cleaning, carpentry, painting, landscaping, telephone, window cleaning, rubbish hauling, janitorial, security and other similar services or such of them as Manager shall deem advisable. Service contracts shall be written to include a thirty (30) day notice of cancellation whenever reasonably possible. Notwithstanding anything herein to the contrary, Owner shall assume each contract that Manager has entered into on behalf of Owner the term of which extends past the termination of this Agreement.

(c) Investigate, hire, train, pay, supervise and discharge such employees and contract with such independent contractors as may be necessary for the efficient maintenance and operation of the Facility. All such personnel shall be employees or independent contractors with respect to Manager, and may be located at the Facility during normal working hours in the performance of their duties. Owner shall provide reasonable and customary office space for all such personnel engaged by Manager to provide services to Owner pursuant to this Agreement. Compensation for services of such employees and independent

contractors (as evidenced by bi-weekly, semi-monthly or monthly payroll and fee schedules) shall be considered as an operating expense of the Facility and shall be at rates set forth on the attached Schedule 2.02(c) or, if not set forth on Schedule 2.02(c), at rates comparable to amounts charged by similar third party service providers operating within the same geographic area as the Facility.

(d) Designate one of its employees to supervise other employees and to coordinate the work of the independent contractors so as to render services and the performance of duties hereunder in a consistent manner.

(e) Intentionally Deleted.

(f) At Owner's expense and under Owner's reasonable direction, and to the extent Owner makes such funds available to Manager, keep the Facility in a clean and slightly condition and make all routine and ordinary repairs, purchase all supplies necessary for the proper operation of the Facility. Notwithstanding anything to the contrary in this Section 2.02(f) and, unless provided for in the Budget approved by Owner, Manager shall not make any purchases nor do any work the cost of which shall exceed \$5,000.00 or incur any liability or obligation lasting or maturing more than one (1) year from the creation thereof without obtaining the prior written approval of Owner, except in circumstances in which Manager shall in the exercise of its reasonable judgment deem to constitute an emergency requiring immediate action for the protection of the Facility or the occupants or other persons or to avoid the suspension of necessary services. Manager shall notify Owner immediately of the necessity for, the nature of, and the cost of such emergency repairs or compliance with such laws.

(g) Make minor repairs required by Owner, the cost of such repairs shall not exceed such amount as shall be annually suggested by Manager and approved by Owner or such amount set forth in Section 2.02(f).

(h) Establish and maintain in a federally insured bank a separate custodial bank account for Manager's working fund (the "Operating Account"), which Operating Account will be subject to the absolute control of Manager. Manager shall be authorized to draw thereon for any payments to be made by Manager pursuant to the terms of the Agreement. Owner shall, by the first of each month, deposit funds in the Operating Account in an amount sufficient, but in any event not less than 1/12th of the annual expenses referenced in the Budget, to cover sums due from and payable by Owner as operating expenses, including, without limitation, any fees due Manager for services rendered as set forth in this Agreement, fees and other compensation due and payable to independent contractors working on the Facility, and allow for a minimum balance in the Operating Account of \$25,000.00 as a contingency reserve. (Manager and Owner shall review the amount of the contingency reserve from time to time and shall agree, in writing, on a new contingency reserve amount when such is required.) Manager shall make all payments required hereunder in a timely manner provided that (and only if) sufficient funds exist or are deposited in the Operating Account by Owner. To the extent the funds on deposit in the aforesaid bank accounts are not sufficient to pay the above-referenced expenses as and when due, Manager shall give Owner written notice of the amount of such deficiency, and Owner shall make a deposit to such bank accounts in the amount of such deficiency promptly, and in any event within five (5) days following receipt of such notice. Once each quarter, and contemporaneously with Manager's delivery of the monthly report required pursuant to Section 2.03 pertaining to operations during the second month in such calendar quarter, Manager shall remit as directed by Owner funds in the Operating Account in excess of the contingency reserve.

(i) Notify Owner and Owner's insurance carriers promptly of any fire or other casualties occurring in, on or about the Facility and any damage to the Facility.

(j) Prepare, execute and file any forms, reports and returns and make all payments required by all federal, state, and local laws in connection with unemployment insurance, workmen's compensation insurance, disability benefits, Social Security, federal and state income taxes and other similar taxes, now in effect or hereafter imposed, in connection with Manager's employees and independent contractors who work on the Facility and also shall comply with any other governmental requirements relating to the employment of personnel in connection with the Facility.

(k) Obtain, purchase and install (or where appropriate, engage third party contractors to obtain, purchase and install), on behalf of Owner and at Owner's expense, and to the extent Owner makes such funds available to Manager, improvements for the Facility as Owner shall direct or shall have contracted to provide, as well as fixtures, furniture, equipment, maintenance tools, uniforms, personal property and supplies necessary or useful in the operation of the Facility.

Section 2.03 Books and Records. At all times during the term hereof, Manager, at Owner's expense, except as otherwise provided herein, shall cause accurate books and records of accounts to be maintained in accordance with the terms of this Agreement and in a manner reasonably satisfactory to Owner. The books and records of account shall be subject to examination by Owner, or its authorized agents, attorneys and accountants at all reasonable hours. Manager shall provide to Owner by the twentieth (20th) day of each month an operating report for the previous month's activity, which shall, at minimum, include: (i) an itemized account of all expenditures for the preceding month; (ii) a budget versus actual comparison of expenses for each of the preceding month and year to date; a (iii) a reconciled bank statement; and (iv) a work order activity report.

Section 2.04 Budget. Manager, with the assistance of Owner's representative(s), shall prepare and submit to Owner for its consideration a budget (the "Budget") setting forth the estimated expenditures (capital, operating, and other) of Owner for the Facility for the fiscal year next following the date of this Agreement. During the term of this Agreement, Manager shall prepare and submit such a Budget for each fiscal year following the date of this Agreement on or before 45 days prior to the start of such fiscal year. The proposed Budget take into account the general condition of the Facility, all anticipated increases in costs, reserves for contingencies and necessary replacements. When approved by Owner, Manager shall implement such Budget and shall be authorized, without the need for further approval by Owner, to make the expenditures and incur the obligations provided for in such Budget. If Owner fails to object to such proposed Budget within thirty (30) days of Manager's submission to Owner of the same, then Manager is hereby authorized to proceed under the proposed Budget as if Owner had approved of the same.

Section 2.05 Fidelity Bond; Insurance. At all times during the term hereof, Manager shall have a fidelity bond in the amount of Two Hundred Thousand and No/100 Dollars (\$200,000.00), which bond shall cover each person who handles or is responsible for the safekeeping of money or funds of Owner. Manager shall obtain and pay for commercial general liability insurance of the types and in the amounts as are usual and customary for parties such as Manager engaged in activities similar to the activities in which Manager is engaged by Owner pursuant to this Agreement. Prior to the Effective Date, Manager shall provide Owner with a certificate of insurance or certificates of insurance evidencing such coverage.

Section 2.06 Manager Acting on Behalf of Owner. Every action taken by Manager under the provisions of this Agreement shall be done as agent of Owner and all obligations or expenses incurred hereunder shall be for the account, on behalf and at the expense of Owner; provided, that Owner shall not be obligated to pay the salaries, wages or other compensation of any officers or employees of Manager (and any costs and expenses incurred by Manager for services rendered by such persons) other than those set forth on the attached Schedule 2.02(c). Any payments to be made by Manager hereunder on behalf of Owner shall be made out of such sums as are available in the Operating Account or as are provided by

Owner. It is agreed and understood that Manager shall not be obligated to expend its own funds for any payment which Manager is authorized to make hereunder on behalf of Owner.

Section 2.07 Ownership of Information and Materials: Confidentiality. Manager shall within the time period prescribed in Section 4.03, upon completion of Manager's services or any sooner termination of this Agreement, deliver to Owner all written data and information generated by or for Manager directly in connection with the Facility or supplied to Manager by Owner or Owner's contractors or agents, and all drawings, plans, books, records, contracts, agreements and all other documents and writings in its possession relating to its service hereunder or the Facility, and Owner shall have the right to use the same without further compensation to Manager. Such data and information and all such documents shall at all times be the property of Owner. Manager may retain copies of such data and information, and freely use the same for its own purposes. Manager agrees for itself and all persons retained or employed by Manager in performing its services, to use reasonable efforts to hold in confidence and not to use or disclose to others any confidential or proprietary information of Owner heretofore or hereafter disclosed to Manager or any such persons and designated as such by Owner, including but not limited to any data, plans, programs, processes, equipment, costs, operations, or customers which may come within the knowledge of Manager or any such persons in the performance of, or as a result of, its services, except where (i) Owner authorizes Manager to disclose any of the foregoing to others or such disclosure reasonably results from the performance of Manager's duties, or (ii) data or information shall have theretofore been made publicly available by parties other than Manager or any such persons. Notwithstanding the foregoing, Manager shall in no event be liable for punitive or consequential damages, and shall only be liable if any such disclosure is made intentionally. Furthermore, Manager shall have no liability for any disclosures of confidential information made pursuant to applicable law, court order, subpoena or other valid legal requirement.

Section 2.08 Licenses. Manager represents and warrants to Owner that it has obtained, at Manager's own expense, and will keep in effect during the term hereof, any licenses, permits or other governmental consents required for Manager to perform its duties and obligations hereunder.

ARTICLE III

Owner's Agreements

Section 3.01 Compensation of Manager. Manager shall be entitled to receive the following compensation for services performed pursuant to this Agreement:

(a) *Management Fee*. As compensation for Manager's services under this Agreement and in addition to the other amounts payable to Manager pursuant to the terms hereof (including any co-existing contracts), Owner agrees to pay to Manager a management fee (the "Management Fee") as set forth on the attached Schedule 3.01(a); provided, that the Management Fee shall increase by three percent (3%) effective annually on each anniversary of the Effective Date. The Management Fee shall be payable monthly on or before the fifteenth (15th) day of each calendar month. Manager shall be entitled to withdraw the Management Fee from the Operating Account

(b) *Intentionally Deleted*

(c) *Additional Fees*. In addition to the Management Fee and if approved in advance by Owner in writing, Manager shall be entitled to receive, and Owner shall pay to Manager, reasonable additional fees for services performed by Manager on behalf of Owner that are not listed or specifically required in this Agreement or are not reasonably contemplated by this Agreement. Such additional fees shall be due and payable to Manager for such of the foregoing services that would not normally and customarily be included in the services Manager would perform for the owner of comparable property. Such fees shall be in

accordance with Manager's standard fees or if not listed shall be an amount equal to the sum of Manager's actual costs in performing such additional services plus a reasonable profit therefor.

Section 3.02 Insurance. Owner shall obtain and pay for usual and customary commercial general liability insurance with respect to the Facility and usual and customary "all risk" property damage insurance covering the structures constituting the Facility for their full replacement value. Prior to the Effective Date, Owner shall provide Manager with a certificate of insurance or certificates of insurance evidencing such coverage. All liability insurance policies shall name Manager as an additional insured.

Section 3.03 Non-compete. Owner shall not solicit, entice or employ, directly or indirectly, any of Manager's employees to perform for Owner services contemplated by this Agreement for the Facility during the period from the Effective Date through the second anniversary of the termination of this Agreement (other than through Manager pursuant to this Agreement).

ARTICLE IV

Term, Default and Termination

Section 4.01 Term. This Agreement shall be for an initial term of three (3) years beginning on the Effective Date unless terminated as set forth hereinafter; provided, that the term of this Agreement shall continue thereafter for subsequent periods of one (1) year unless Manager or Owner elects ninety (90) days prior to the expiration of the original term or any renewal term to terminate same by giving the other written notice of such election.

Section 4.02 Termination.

(a) If Owner defaults in the payment of any compensation owed to Manager pursuant to this Agreement and such default continues for a period of five (5) days after Manager's written notice to Owner describing such default, then Manager may terminate this Agreement.

(b) If either Owner or Manager defaults in the performance or observance of any covenant, condition or agreement in this Agreement other than the payment to Manager of any compensation owed to Manager pursuant to this Agreement and such default continues for a period of thirty (30) days after written notice to the other party both declaring and describing such default, then the non-breaching party may terminate this Agreement; provided, that if such default is not susceptible to being cured within such thirty (30) day period, then the breaching party shall have such longer period in which to cure such default as may be reasonably necessary so long as it shall have made and shall continue to make diligent, good faith efforts to cure the same.

(c) If the Facility is sold to a new owner during the term of this Agreement, then Owner may terminate this Agreement effective as of the date of the sale by giving Manager at least sixty (60) days' written notice of termination.

(d) Notwithstanding the foregoing, Owner may terminate this Agreement for convenience at any time upon 120 days written notice to Manager. As remuneration for the "ramp up" fees that would otherwise be amortized into the Management Fee during the term of this Agreement, if Manager is terminated prior to the one-year anniversary of the Effective Date, then Manager shall receive a one-time payment of twenty-five percent (25%) of the Management Fee that would accrue (but for the termination) during the one-year period commencing on the Effective Date. Such termination fee shall be paid to Manager on or before the effective date of termination.

Section 4.03 Manager's Duties Upon Termination. Manager shall within thirty (30) days of termination or expiration of the term of this Agreement:

(a) Surrender and deliver to Owner all monies of Owner that are on hand or in any bank account maintained by Manager after payment of any expenses as authorized in this Agreement.

(b) Deliver to Owner as received any monies due to Owner under this Agreement, but received after such termination after the payment of any expenses authorized by Manager.

(c) Deliver to Owner the data, material and other information described in Section 2.07 as well as (i) all the expense reports not covered by an existing report as of the time of termination and (ii) all such other accountings, papers and records pertaining to this Agreement as Owner shall reasonably request.

(d) Assign such existing contracts relating to the operation and maintenance of the Facility as Owner shall require; provided, that (i) Owner shall assume all liability thereunder occurring after the termination of this Agreement, and shall execute such documents as may be reasonably necessary to evidence such assumption, and (ii) that Manager shall have no liability thereunder occurring after the termination of this Agreement.

ARTICLE V

Indemnities and Limitations on Liability

Section 5.01 Indemnification by Both Parties. To the extent permitted by law, each party ("Indemnifying Party") shall indemnify, defend, and hold harmless the other party and its respective officers, directors, partners, employees, agents, and affiliates ("Indemnified Parties") from and against any and all claims, demands, losses, liabilities, damages, actions, lawsuits, proceedings, judgments, awards, and costs and expenses (including reasonable attorneys' fees) to the extent arising out of: 1. the Indemnifying Party's negligence, willful misconduct, or breach of this Agreement; or 2. the acts or omissions of its officers, directors, employees, agents, or subcontractors in connection with the performance of this Agreement. However, the Indemnifying Party shall not be obligated to indemnify the Indemnified Parties for any matters to the extent caused by the gross negligence or willful misconduct of the Indemnified Parties. This Section shall survive the termination or expiration of this Agreement.

Section 5.02 Limitation on Liability. Except for claims for manager's gross negligence, fraud or willful misconduct, and subject to any other limitations set forth in this agreement, in no event shall manager be liable (whether in tort or contract, under statute or otherwise) for any indirect, special, consequential or incidental damages, including without limitation damages for loss of profits, business interruption, loss of information and the like, arising out of its performance or nonperformance of this agreement.

ARTICLE VI

Miscellaneous

Section 6.01 Binding Agreement. This Agreement and all of the rights, benefits, duties, liabilities, and obligations of the parties hereto shall inure to the benefit of and be binding upon their respective heirs, successors and assigns.

Section 6.02 Entire Agreement. This writing and the agreements referred to herein constitute the entire agreement between the parties relative to the subject matter hereof, and may not be modified,

supplemented, discharged, or rescinded except by an instrument in writing executed by the party with the burden of performing such modification, supplement, rescission or discharge.

Section 6.03 Governing Law and Venue. The validity, meaning and effect of this Agreement shall be determined in accordance with the law of the State of Georgia applicable to contracts made and to be performed in that state. Any litigation between the parties shall be brought in the Superior Court of Walton County, Georgia.

Section 6.04 Severability. Each provision of this Agreement is intended to be severable. If any term or provision hereof shall be determined by a court of competent jurisdiction to be illegal or invalid for any reason whatsoever, such provision shall be severed from this Agreement and shall not affect the validity of the remainder of this Agreement.

Section 6.05 Attorney's Fees. In the event either of the parties hereto shall institute any action or proceeding against the other party relating to this Agreement, the unsuccessful party in such action or proceeding shall reimburse the successful party for its disbursements incurred in connection therewith and for its reasonable attorney's fees as fixed by the court.

Section 6.06 Waiver; Consents. No consent or waiver, express or implied, by either party hereto of any breach or default by the other party in the performance by the other of its obligations hereunder shall be valid unless in writing, and no such consent or waiver shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such other party of the same or any other obligations of such party hereunder. Failure on the part of either party to complain of any act or failure to act of the other party or to declare the other party in default, irrespective of how long such failure continues, shall not constitute a waiver by such party of its rights hereunder. The granting of any consent or approval in any one instance by or on behalf of Owner or Manager shall not be construed to waive or limit the need for such consent in any other or subsequent instance.

Section 6.07 Owner's Representative. Owner shall designate one (1) person to serve as Owner's representative in all dealings with Manager hereunder. Whenever the approval or consent or other action of Owner is called for hereunder, such approval, consent or action shall be binding on Owner if specified in writing and executed by Owner's representative. The original Owner's representative shall be the notice party for Owner as designated in Section 6.10. Such representation may be changed at the discretion of Owner, at any time, by written notice to Manager.

Section 6.08 Headings. The headings of the Sections and Articles of this Agreement are inserted for convenience of reference only and shall not in any manner affect the construction or meaning of anything herein contained or govern the rights or liabilities of the parties hereto.

Section 6.09 Interpretation. Whenever the context requires, all words used in the singular number shall be deemed to include the plural and vice versa, and each gender shall include any other gender. The use herein of the word "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not nonlimiting language (such as "without limitation," or "but not limited to," or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that could reasonably fall within the broadest possible scope of such general statement, term or matter. The parties hereto agree that the terms of this Agreement should not be interpreted presumptively to be more or less favorable for or against any signatory.

Section 6.10 Notices. Any notice or demand which by any provision of this Agreement is required or allowed to be given by either party to the other shall be deemed to have been sufficiently given

for all purposes when made in writing and deposited in the United States Mail as certified or registered mail, return receipt requested, postage prepaid, or by recognized national overnight courier, and addressed to the addresses as set forth below, or to such other place as either Manager or Owner may from time to time designate in writing:

Owner: Walton County Board of Commissioners
 111 S. Broad Street
 Monroe, GA 30655
 Attention: County Manager

Manager: TKC Management Services
 4500 Cameron Valley Blvd, Suite 400
 Charlotte, NC 28211
 Attention: Director

Section 6.11 Force Majeure. Neither party shall be liable to the other in damages nor shall this Agreement be terminated nor a default be deemed to have occurred because of any failure to perform hereunder caused by a Force Majeure (as defined below). Either party hereto may delay performance hereunder as a result of the occurrence of a Force Majeure for the duration of said Force Majeure. For purposes of this Agreement, “Force Majeure” shall be an event such as, but not limited to, fire, earthquake, flood, explosion, casualty, strike, unavoidable accident, riot, insurrection, civil disturbances, act of public enemy, embargo, war, act of God, inability to obtain labor, materials or supplies, any outbreak of disease, and any governmental regulation, restriction or prohibition, or any other similar cause beyond the parties’ reasonable control; provided, that in no event shall the unavailability of money constitute a “Force Majeure”.

Section 6.12 Consents or Approvals Not Unreasonably Withheld or Delayed. Except as herein otherwise provided, whenever in this Agreement the consent or approval of Owner or Manager is required, such consent or approval shall not be unreasonably withheld or delayed and, if requested, shall be in writing, signed by an officer or agent, thereunto duly authorized, of the party granting such consent or giving such approval.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have caused this Facility Management Agreement to be executed the day and year first above written.

OWNER:

Walton County Board of Commissioners

By: _____
Name:
Title:

MANAGER:

TKC MANAGEMENT SERVICES, LLC

By: _____
Name: Ed Benton
Title: Director

SCHEDULE 1
TO FACILITY MANAGEMENT AGREEMENT

FACILITY	SQUARE FEET
305 Georgia Avenue Monroe, GA 30655	+/- 260,000

SCHEDULE 2.02(a)
TO FACILITY MANAGEMENT AGREEMENT

RESPONSE AND COMPLETION TIMES

INITIAL RESPONSE TIMES - Respond back to Owner

Type of Call/Service Request	Priority	Response Time (within)
HVAC Calls (too hot, too cold, etc.)	2	Same day to next day
General Plumbing	3	Same day to next day
Emergency Plumbing	1	Immediately
General Electrical (light out, etc.)	3	Same day to next day
Emergency Electrical	1	Immediately
Misc. General Calls (boards/picture hanging, painting, etc.)	4	24 to 48 hours
Environmental Calls (odors, spills, etc.)	1	Immediately
Security / Life Safety Calls	1	Immediately
Elevator Calls (elevator not working)	1	Immediately
Emergency After Hours Call Back	1	Call back within 15 minutes, On-site within 1 to 2 hours

WORK ORDER COMPLETION TIMES (GOAL)

Type of Call/Service Request	Priority	Completion Time (within)
HVAC Calls (too hot, too cold, etc.)	2	24 to 48 hours *
General Plumbing	3	24 to 48 hours *
Emergency Plumbing	1	Immediately/Same working day
General Electrical (light out, etc.)	3	24 to 48 hours *
Emergency Electrical	1	Immediately/Same working day
Misc. General Calls (boards/picture hanging, painting, etc.)	4	5 days or schedule as project
Environmental Calls (odors, spills, etc.)	1	Immediately/Same working day**
Security/Life Safety Calls	1	Immediately/Same working day
Elevator Calls (elevator not working)	1	Immediately/Same working day

The above is defined as 'standard', however optimal times for Owner would be established at start-up.

* - Completion times that allow "next day" shall not apply if the next day follows a holiday or weekend. In these cases, service requests should be addressed on the same day received prior to the holiday or weekend.

** - In the event an outside HAZ-MAT crew is required, the completion time could be longer.

SCHEDULE 2.02 (continued)
TO FACILITY MANAGEMENT AGREEMENT

SCOPE OF WORK

- Manage the day-to-day facility operations, including 24/7/365 response
- Bid and management of small, medium, and large operational projects
- Manage all operations and maintenance personnel as needed, recruit, train, and terminate
- Skilled technicians for emergencies
- Complete regular inspections by your Facility Manager and Corporate Management
 - *Buildings*
 - *Mechanical Equipment*
 - *Grounds Maintenance*
 - *Other External Contracts*
- Negotiate all facility service contracts
- Confirms licenses, insurance, background checks, drug tests, and references at least meet the industry standards
- Prepare annual operating, capital, and long-range projection budgets
- Property Accounting Services
 - *Accounts Payable, paperless invoice tracking and approval process*
 - *General Ledger*
 - *Monthly Operating Report highlighting financial performance, variance, and operational analysis*
 - *Annual, detailed budget development, with owner involvement and approval*
 - *Budget comparisons; benchmark against others, both TKC, and market*
 - *Entire process relieves ownership of facility-related bookkeeping*
 - *Monthly credit to ownership of any operating surplus funds, applied to following month's funding request*
- Prepare and implement Preventive Maintenance Program
 - *Identify each piece of equipment*
 - *Prepare a preventive maintenance requirement for each using OEM specifications and best practices*
 - *List all parts and tools necessary to complete maintenance for each*
 - *Include estimate of time to complete task*
- Set up comprehensive Computerized Maintenance Management System (CMMS)
 - *Computerized Work Order System*
 - *Web interface option for occupants to submit work order requests*
 - *Complete log of all work orders - corrective and preventive*
 - *Work order history by area, type, assigned technician*
 - *Implement a comprehensive preventative maintenance plan, cuts down on reactive work, extends the life of the major assets*
 - *Track labor use by work order type and technician*
- Complete inventory control for maintenance equipment, parts, supplies, and consumables
- Purchasing controls for capital products
- Energy Management recommendations and controls
- Standard Operating Procedures (SOP) Manual
- SDS (a.k.a. MSDS) controls, and OSHA certified training to staff

SCHEDULE 2.02(c)
TO FACILITY MANAGEMENT AGREEMENT

PERSONNEL	*RATE
Facility Manager/Chief Engineer	+/- \$93,600/year, plus 10% annual Bonus
General Maintenance Technician/HVAC	+/- \$26.00/hour, plus 5% annual Bonus
Plumber	+/- \$29.00/hour, plus 5% annual Bonus
Division Manager & Service Coordinator Support (Remote)	+/- 20,800/year
Total payroll NTE Per Approved Budget	\$321,948 annually

* 35% Estimated Burden Rate

SCHEDULE 3.01(a)
TO FACILITY MANAGEMENT AGREEMENT

PROPERTY	RATE
305 Georgia Avenue Monroe, GA 30655	\$10,400 per month