

**AGREEMENT FOR MANAGEMENT OF  
THE ADAMS COUNTY  
RIVERDALE GOLF FACILITY**

This Agreement is made and entered into this 15<sup>th</sup> day of September, 2010, by and between the Board of County Commissioners of the County of Adams, State of Colorado (hereinafter "County") and Professional Recreation Management, Inc. (hereinafter "PRM").

For valuable consideration, the sufficiency of which is hereby acknowledged, the parties agree as follows:

**RECITALS**

The parties agree that this Agreement will become effective on January 1, 2011. The Agreement for Management between PRM and Adams County dated February 28, 2007, shall remain in full force and effect through December 31, 2010.

**I. OBLIGATIONS OF PRM**

PRM agrees to manage, operate and maintain the Riverdale Golf Facility, which includes the Knolls and Dunes courses, the clubhouse, restaurant and related facilities, in accordance with the standards and provisions hereinafter set forth.

**I. PRM's Basic Obligations:**

- (A) Collect green fees, other course fees, and equipment rental fees.
- (B) Operate the Pro Shop.
- (C) Operate the restaurant, bar, and outdoor food and beverage concessions.
- (D) Provide routine maintenance to the clubhouse, cartbarn, and clubhouse areas.
- (E) Provide grounds maintenance for both courses in accordance with the Maintenance Standards set forth in Exhibit A to this Agreement.

- (F) Organize and accept reservations for tee-off and starting times.
- (G) Enforce rules, regulations, guidelines, and policies for the safe and efficient use of the clubhouse and course.
- (H) Remit all "qualified revenues" collected to the County. "Qualified revenues" shall be defined as all revenue collected at the Riverdale Golf Facility except revenues collected from the restaurant, bar, outdoor food and beverage concessions, and fees for pro lessons.
- (I) Supervise existing construction projects and future capital improvement projects.
- (J) Assist County in developing a replacement program for capital projects.
- (K) Implement long range plans and goals of County, including but not limited to assisting the County in a study to address the drainage problems existing on the Knolls Golf Course, and the reconstruction of the Knolls Golf Course.

2. Pro Shop Operations:

- (A) PRM is required to sell, rent, store, and repair golf equipment, clothing and supplies; provide instructional services in the playing of golf; rent golf carts; and operate a driving range. Additional services may be offered with the prior approval of the County.
- (B) PRM shall be responsible for purchasing and installing the furniture, fixtures and equipment ("FF&E") and merchandise necessary to operate the Pro Shop. During the term of the Agreement, PRM shall be responsible for maintaining all furniture, equipment and fixtures in good working order and appearance. However, the County shall be responsible for reimbursing PRM for the cost of acquiring and repairing said furniture, equipment, fixtures, and merchandise. (Value of beginning and year-end inventory shall be excluded from the calculation of operating expenditures or revenues.)

3. Restaurant Operations:

- (A) PRM is required to provide food service in the restaurant portion of the clubhouse. Said food service operations will include a banquet menu and golfer oriented services.
- (B) PRM shall provide all necessary kitchen and dining room utensils. These items shall remain the property of PRM throughout and at the termination of this Agreement period.
- (C) PRM may operate the restaurant directly or subcontract with a County approved third party to operate it. Two Course Meals, Incorporated ("TCM") is a County approved company who may contract with PRM to operate the restaurant.

4. Bar Operations:

- (A) PRM is required to provide for sale of alcoholic beverages as defined by C.R.S. §12-47-103(2) within the bar and restaurant portion of the clubhouse for consumption only in that portion of the clubhouse. PRM must obtain and maintain a liquor license for the sale of such beverages.
- (B) PRM may manage bar operations directly or may subcontract with a County approved third party to provide these services. T.C.M. Incorporated is a County approved company who may contract with PRM to manage the bar.
- (C) PRM shall be responsible for purchasing and installing the furniture, equipment and fixtures necessary to operate the bar. During the term of the Agreement, PRM shall be responsible for maintaining all furniture, equipment and fixtures in good working order and appearance, and for the costs of any repair thereto or replacement thereof. At the termination of this Agreement, PRM shall have the right to remove all furniture, equipment and fixtures owned by PRM that can be removed without damage to the premises as determined by the County. The costs of any necessary repairs thereto or replacements thereof of the furniture, fixtures and equipment owned by County will be reimbursed by the County.

- (D) PRM shall provide all glassware necessary to operate the bar. Said glassware shall remain the property of PRM throughout and at the termination of this Agreement period.

5. Outdoor Food & Beverage Concessions:

- (A) PRM is required to sell food and beverages, including malt liquors as defined by C.R.S. §12-47-103(19) within the outdoor food and beverage concessions for consumption anywhere on the golf course premises. PRM must obtain and maintain a license for sale of such beverages.
- (B) PRM may manage the outdoor food and beverage operations directly or may subcontract with a County approved third party to provide these services. T.C.M. Incorporated is a County approved company who may contract with PRM to manage the outdoor food and beverage concessions.
- (C) PRM shall be responsible for purchasing and installing the furniture, equipment and fixtures necessary to operate the outdoor food and beverage concessions. During the term of the Agreement, PRM shall be responsible for maintaining all furniture, equipment and fixtures in good working order and appearance and for the costs of any repairs thereto or replacement thereof. At the termination of this Agreement, PRM shall have the right to remove all furniture, equipment and fixtures owned by PRM that can be removed without damage to the premises as determined by the County. The costs of any necessary repairs thereto or replacements thereof of the furniture, fixtures and equipment owned by County will be reimbursed by the County.

6. Utilities:

Upon submittal of an invoice from PRM, County shall pay the utility bills including any necessary water or sewer otherwise not provided by the County attributable to the operations of the Pro Shop, the Golf Courses and the heating, lighting and air conditioning of the clubhouse. Such expenses shall be considered an operational expense of the Riverdale Golf Facility.

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7. Clubhouse Maintenance:



- (A) PRM shall keep the clubhouse, the cartbarn, and clubhouse areas in a clean, safe, and sanitary condition. "Clubhouse areas" include all grass surfaces which are not part of the course, sidewalks and parking lots. PRM is also responsible for routine maintenance of the clubhouse, cartbarn and clubhouse areas. PRM will notify the County of any major maintenance problems.

8. Grounds Maintenance:

- (A) PRM shall maintain the two golf courses in accordance with the minimum specifications established by the County, set forth in Exhibit A attached hereto and incorporated herein by reference. However, PRM shall have the authority to adjust the procedures called for in said exhibit, when necessary to preserve the "playability" of the course.
- (B) PRM shall be responsible for deciding when play must be suspended due to inclement weather conditions and shall also be responsible for deciding when to allow golf carts on the course.

9. Financial Information/Records:

- (A) PRM shall deposit all "qualified revenues" received by the Pro Shop with the County Treasurer's Office in accordance with the schedule of armored car pickups for which the County has contracted.
- (B) PRM shall provide to the County an invoice or voucher recap form detailing the expenses of the Riverdale Golf Facility. These forms shall be submitted on a weekly basis or as often as PRM incurs the expense. If PRM has paid an invoice for expenses incurred in performance of this Agreement, PRM shall submit such invoice with back-up documentation to the County for reimbursement. The Finance Department shall then issue one check directly to PRM equaling the amount of all bills paid.
- (C) PRM shall submit proof of salaries or wages paid, with or without benefits, for employees of PRM employed at the

Riverdale Golf Facility, with the exception of those employed by its subcontractors. Should an employee work at the Riverdale Golf Facility less than full time, PRM shall submit only that portion of salary or wages paid which bears a direct relationship with the hours said employee worked at the Riverdale Golf Facility. PRM shall submit the material required in this paragraph to the County on a schedule coinciding with its pay cycle. The County will issue a check to PRM for the amount of salaries or wages paid, which shall include the amount of benefits PRM expended for such employees, as soon as possible after proper submittal by PRM. Benefits include F.I.C.A., F.U.T.A., health insurance coverage, life insurance, dental insurance, employer pension contributions, and other direct employee costs.

- (D) To ensure that the County is not assessed sales tax on capital expenditures for the Golf Facility for which it is already exempt under the law, the following process shall be used for capital expenditures in excess of \$500. In the case of expenditures for capital items in excess of \$500, PRM shall not pay the vendor directly. Instead, PRM shall submit an invoice to the County for the payment of said expenditure. PRM may use this process for capital expenditures less than \$500 if sales tax liability is an issue. County shall reimburse PRM for the sales tax for all golf carts at the time the golf carts are purchased.
- (E) PRM shall provide, upon request of the County Finance Director, open access to all of PRM's financial records to the extent said records are applicable to the operation of the Riverdale Golf Facility, for audit and inspection purposes.

10. Insurance Requirements:

- (A) During the term of this Agreement, PRM shall maintain the types and amounts of insurance specified below. The County shall reimburse PRM for all applicable premiums for the insurance required by this Agreement. Such insurance shall be primary to and not contributing with any other insurance maintained by the County, shall name the County of Adams as an additional insured, and shall include, but not be limited to:

- (1) Comprehensive general liability insurance to cover:
  - (a) The clubhouse, cart barn, and clubhouse areas, as defined in this Article I, Section 6 above, in the amount of not less than \$1,000,000 each occurrence and \$2,000,000 general aggregate; and,
  - (b) Operations on the courses in the amount of not less than \$1,000,000 each occurrence and \$2,000,000 general aggregate. Such coverage shall include:
    - (i) Premises operations
    - (ii) Broad term contractual liability
    - (iii) Independent contractors
    - (iv) Employees as additional insured
    - (v) Waiver of subrogation
- (2) Comprehensive automobile liability insurance in the amount of not less than \$1,000,000 per accident for bodily injury/property damage, and personal injury protection as required by Colorado statutes. Such coverage shall include waiver of subrogation. Automobile liability insurance must include all motor vehicles owned, hired, leased, or borrowed.
- (3) Employees' liability and workers compensation insurance that complies with Colorado statutes and that will protect PRM against any and all claims resulting from injuries to and death of workers engaged in work at the Riverdale Golf Facility. Such coverage shall include waiver of subrogation.
- (4) Additional Insured: All referenced insurance policies and/or certificates of insurance shall be subject to the following stipulations:
  - (a) Underwriters shall have no right of recovery or subrogation against Adams County, it being the intent of the parties that the insurance policies so effected shall protect both parties and be

primary coverage for any and all losses covered by the described insurance.

- (b) The clause entitled "other Insurance Provisions" contained in any policy including Adams County as an additional insured, shall not apply to Adams County.
  - (c) The insurance companies issuing the policy or policies shall have no recourse against Adams County for payment of any premiums due or for any assessments under any form of any policy.
  - (d) Any and all deductibles contained in any insurance policy shall be assumed by and at the sole risk of PRM. However, this shall not apply to deductibles covering operational items for the Riverdale Golf Facility.
- (B) PRM shall provide the County Risk Management Coordinator with a signed and completed certificate of insurance with all of the endorsements set out hereinabove.

11. Operating Responsibilities:

- (A) PRM and its subcontractors shall conform to and abide by all applicable Federal, State and local laws and/or regulations. This includes procuring all necessary permits and/or licenses.
  - (B) PRM shall not permit any offensive matter or refuse or substance constituting a fire hazard or a threat to public health to remain on the Riverdale Golf Facility.
  - (C) PRM shall immediately correct any unsafe condition of the premises, as well as any unsafe practices occurring thereon, except that PRM shall not be responsible for correcting any condition relating to aspects of the design of the golf courses or clubhouse.
  - (D) PRM is required to use its best efforts to promote the public use of and the profitability of the Riverdale Golf Facility.
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12. Days and Hours of Operation:

The hours of operation for the courses, Pro Shop, restaurant, bar, and outdoor food and beverage concessions shall be set by PRM, with the emphasis on maintaining uniform hours of operation and maximizing profitability. PRM shall not be required to open the Riverdale Golf Facility on days when the County offices are closed due to weather conditions.

13. Indemnification:

PRM shall defend, indemnify, and hold harmless the County, its officers, employees and agents from, for, and against all claims, damages, actions or causes of action and expense for which it may be subjected by reasons of the negligent acts or errors and omissions of PRM in the performance of PRM's services pursuant to this agreement.

14. Liability and Reimbursement:

PRM shall be liable and responsible for reimbursement to the County of any monies, debts, expenses or other obligations incurred by the County because of actions by PRM outside the scope of authority granted PRM under this Agreement or incurred as a result of PRM's failure to provide the services required pursuant to this Agreement in a fiscally responsible manner.

15. Contractor Responsibility:

PRM shall remain responsible for the performances of all duties under this Agreement. This includes duties assigned to a County approved subcontractor.

16. Annual Passes:

PRM shall continue its annual discount golf pass program for limited Adams County residents, but only for those people who held annual passes for the year 2006, through the remainder of 2007 and 2008. Beginning January 1, 2009, and every January 1<sup>st</sup> thereafter throughout the remainder of the term of this Agreement, PRM, in consultation with the County may modify or discontinue the discount golf pass program.

17. Adams County Use of Facilities & Golf League .

(A) PRM agrees to provide the County with one (1) tournament day per calendar year for the Adams County Commissioner's Tournament. The applicable green fees, cart fees or driving range fees at the Riverdale Golf Facility shall be fifty percent (50%) of their normal rate for this event. The tournament day will be restricted to Monday through Thursday between April 15<sup>th</sup> and September 15<sup>th</sup> of each year, at times reasonably acceptable to PRM; Food, beverages, merchandise and labor costs of PRM staff assigned directly to the event, shall not be included in the discounted rate, but will be charged at the normal rate. Both parties will mutually agree upon any other reasonable conditions regarding such usage.

(B) PRM shall provide annually during each Operating Year to the County three (3) banquets or receptions during the winter months (January-March) of each year in the Riverdale Clubhouse with a discount to the County of fifteen percent (15%) off the normal food charges of such an event by PRM and a discount of 75% (for these events) of the normal room/set-up fee. In past years these events have been for an Inaugural Reception (January), State of the County Address and Reception, and Legislative Dinner (both February). Said discount shall not however apply to the sale of any alcoholic beverages. Additionally, PRM shall host additional events through the year for the Board of County Commissioners Office at which events the County Commissioners will be present. For these events PRM will offer normal food pricing but discount the normal room/set-up fee 75% and make every effort to schedule the event based on the availability of space. PRM recognizes that other Adams County Departments may wish to book events in the Clubhouse. PRM will make efforts to schedule these events based on availability. Pricing for these events will be at normal food charges and 50% off the normal room/set-up fee. The county recognizes that the Clubhouse is used and booked for events other than County related events and will make every effort to book events far in advance.

(C) PRM will also maintain an annual golf league for Adams County employees on its league event schedule. All green fees and

other costs for such employees of the County shall be charged to the employees at the normal rate.

## **II. OBLIGATIONS OF THE COUNTY**

1. The County will supply PRM with all information available to the County which will aid PRM in the performance of services pursuant to this Agreement.
2. The County will promptly notify PRM whenever the County becomes aware of unsatisfactory performance of services by PRM.
3. The County shall provide insurance coverage, or will self-insure the course and buildings at the Riverdale Golf Facility in amounts at least equal to the Governmental Immunity Statutory limits of liability.
4. The County shall be responsible for the expense of any maintenance costs or repair costs to the clubhouse or other improvements on the Riverdale Golf Facility, including the golf courses and infrastructure, i.e. telephone lines, sewer, drainage, water and electrical.
5. In exercising its rights under this Agreement, and as owner of the Riverdale Golf Facility, the County agrees that none of the various County departments, officials, or employees thereof shall impede, prevent, or interfere in any way with PRM's operation of the Riverdale Golf Facility, so long as such activity falls within the scope of this Agreement and arises from the normal and ordinary course of operating this type of facility. Utilization of the Golf courses for golfing events involving a reduction in normal costs and fees shall occur only upon the mutual written consent of PRM and the Board of County Commissioners. If the County approves of a golfing event wherein less than full fees and costs are charged, PRM's year end balance shall not reflect such reductions. PRM's ability to obtain an incentive payment shall not be jeopardized when required to reduce normal golf fees and charges.

### **III. MUTUAL OBLIGATIONS OF THE COUNTY AND PRM**

1. This agreement does not guarantee PRM any work except as herein authorized.
2. All of the services contemplated by this Agreement are personal and shall not be assigned or transferred without the written consent of the County. PRM may not subcontract services required hereunder without the written consent of the County, except as otherwise set forth herein.
3. PRM and any and all of its personnel utilized by the County under the terms of this Agreement shall be considered independent contractors to the County. None of PRM's employee shall be considered agents or employees of the County.
4. The provisions of this Agreement constitute the entire Agreement of the parties, and no amendments shall be effective unless those amendments are reduced to writing and signed by both parties.
5. The County and PRM acknowledge that there currently exists a significant problem with erosion on the Brantner Ditch on the Dunes Course. County funds for the repair of this problem were appropriated by the County in its 2006 budget and remain available, however due to weather and other conditions, the work remains to be done. Therefore, the County hereby agrees to, as soon as practical, perform such repairs at its own cost and expense irrespective of anything in this Agreement to the contrary.
6. PRM agrees to work with the County to develop a capital improvement plan to address the drainage problems existing on the Knolls Golf Course, with the likelihood of reconstructing the Knolls Golf Course into a 9-hole course. In the event the County is unwilling or unable to invest the capital necessary to complete reconstruction of the Knolls Golf Course, PRM may present a proposal to the County to renegotiate this Agreement for a longer term with a commitment by PRM to invest capital in the golf course. Both parties agree to negotiate in good faith to this end.
7. It is agreed that any and all disputes between the parties solely pertaining to the quality of the physical maintenance and repair by PRM of the Clubhouse areas and Riverdale golf courses and grounds



as set forth in this Agreement shall be settled by mandatory, binding arbitration administered in Denver, Colorado before a panel of three (3) independent arbitrators having experience in the management and operation of public golf facilities chosen as follows: each party shall select one independent arbitrator and those two arbitrators shall select a third arbitrator. Otherwise the rules, time deadlines and other procedures of the Commercial Arbitration Rules of the American Arbitration Association shall be followed. The prevailing party shall be entitled to an award of their attorney's fees and all costs and expenses of arbitration. Otherwise, any and all disputes, claims or controversies between the parties shall be resolved according to Colorado law in a court of competent jurisdiction, with the prevailing party being entitled to an award of the attorney's fees, and all costs and expenses of litigation.

#### **IV. COMPENSATION TO PRM**

The County shall be responsible for reimbursing PRM its reasonable expenses for performance of this Agreement, including but not limited to, professional fees, any educational training, travel, licenses, vehicle expense and insurance premiums in an amount not to exceed that year's budgetary appropriation.

Incentive payment. If total operating revenue exceeds total operating expenditures by \$600,000 for the time period from January 1, 2011 to December 31, 2011, and for all subsequent calendar years, PRM is entitled to receive an incentive payment from the County in the amount of \$20,000 and fifteen percent of any amount over \$600,000. Incentive payments shall be paid by the 15th of July. Absent Board approval, if yearly gross revenues are insufficient to cover the year's operating and maintenance expenses at an amount sufficient to adequately maintain the golf courses and facilities, this Agreement is subject to termination by the County upon thirty (30) days written notice to PRM by the County, without further liability to either party.

#### Definitions.

Total Operating Revenue shall include all "qualified revenues" except interest earnings, revenue generated from sale of capital assets, and revenue generated from investment.

Calculation of Total Operating Expenses shall not include depreciation, incentive payments, (capital improvements as approved in Article VII and value of beginning year end-inventory.)

Net Income shall be calculated pursuant to the cash method of accounting.

Out-Of-Pocket Costs. In addition to the compensation described in the above Section, PRM shall also be reimbursed for all of its reasonable, direct out-of-pocket costs paid in the course of performing its obligations, so long as such amounts are not in excess of the amount set forth in the Approved Plan and Budget for that fiscal year. Any costs not incurred in connection with PRM's performance of its obligations hereunder shall not be charged to County, and any expenses incurred that benefit County and others must be reasonably prorated among all projects which benefited from such expenditure.

Examination of Records. The payment by County of any portion of the Annual Fee shall not prejudice County's right to examine the books and records maintained by PRM for any Fiscal Year to enable County to verify, and object to, PRM's calculation of Gross Revenues, Net Operating Profit and the amount of any Annual Fee due to PRM.

Fund Availability. Payment pursuant to this Agreement, whether in full or in part is subject to and contingent upon the continuing availability of County funds for the purposes hereof. In the event that funds become unavailable, as determined by the County, the County may terminate this Agreement upon sixty-days notice to PRM, or the parties may amend the agreement accordingly.

## **V. COMPENSATION TO COUNTY**

1. The County shall receive all "qualified revenues" generated by the operation of the Riverdale Golf Facility with the exception of those revenues generated by the restaurant, bar, and outdoor food and beverage concessions and fees for pro lessons.
2. The County shall be responsible for the expenses of operating the Riverdale Golf Complex from said revenues as set forth hereinabove. The County shall be entitled to retain for its own purposes all revenues which exceed the cost of operating the Riverdale Golf Facility, subject to the compensation provisions contained hereinabove in Article IV.

## VI. TERMINATION

1. Upon the occurrence of any one or more of the events of default described hereinafter, this Agreement shall be subject to termination. As a condition precedent thereto, the County shall give PRM thirty (30) days notice by registered or certified mail of the termination, the grounds therefore, and an opportunity to be heard before said date, if a request therefore is made.
2. Upon termination, the County shall have the right to take possession of the premises, including all improvements, equipment, and inventory located thereon, and use same for the purpose of satisfying and/or mitigating all damages arising from a breach of this Agreement.
3. Action by the County to terminate this Agreement and retake possession of the premises shall be without prejudice to the exercise of any other rights provided herein or by law to remedy a breach of this Agreement.
4. The following shall constitute "events of Default" subjecting PRM to termination at the County's discretion:
  - (A) The abandonment, vacation or discontinuance of operations on the premises for more than seventy-two (72) consecutive hours, except as otherwise set forth herein regarding hours of operation.
  - (B) The material failure of PRM to operate in a manner required by this Agreement, or to keep, perform and observe all promises, covenants, conditions and agreements set forth in this Agreement, including an arbitration ruling that the terms of Exhibit A have not been complied with, where such failure continues for more than thirty (30) days after the receipt of written notice from the County of said failure.
5. No event of default shall be deemed to have occurred if PRM's failure to maintain the premises, produce the projected revenues, or complete a capital improvement project is caused by vandalism, an Act of God, such as fire, flood or earthquake, acts of war or

terrorism, or is caused by County's failure to provide adequate water resources or drainage improvements.

6. PRM shall have the right to terminate this contract at any time upon no less than ninety (90) days' written notice to the County of said termination.

## **VII. FINANCIAL, OPERATING AND CAPITAL IMPROVEMENT PLAN:**

1. A Capital Improvement Program shall be prepared by PRM and approved by the County. Said program shall indicate the description of each improvement project, the estimated improvement costs, and the projected time frame for commencement and completion of the improvement project.
2. PRM shall maintain a five-year (5) Capital Improvement Program for annual submission to the County. Said program shall include projects for both the following calendar year and subsequent calendar years. The County shall notify PRM of its disapproval, if any, concerning such said program within sixty (60) days following receipt of same. If written notice is not provided to PRM within such sixty (60) days, the program shall be deemed to have been approved by the County. However, the County and PRM may agree, from time to time, that various capital improvements mutually agreed upon, shall be completed as necessary to improve and/or insure the usability of the premises and the expense of such projects shall not be considered an expenditure for purposes of calculating incentive payments under Section IV.
3. PRM shall be responsible for arranging, coordinating and overseeing the construction of all capital improvements. Prior to commencement of construction, PRM shall obtain the County's written approval of all plans, specifications and construction cost estimates (including obtaining a minimum of three bids for projects exceeding \$25,000) for the improvements to be constructed. No modification of said plans, specifications, or improvements shall be made by PRM without the written approval of the County. PRM agrees that the County may have on site at any time during the construction an inspector who shall have the right to access the construction work.

4. Any funds accumulated for capital improvements which are not spent for that purpose by the end of the Agreement term shall be retained by the County. PRM shall have no right to any portion of said unexpended funds.
5. When preparing capital improvement project proposals, PRM shall take into consideration the revenue generating capacity of the Riverdale Golf Facility.

#### **VIII. COMPLIANCE WITH § 8-17.5-101, et seq., C.R.S.**

In accordance with Colorado Revised Statutes § 8-17.5-101, et. seq., as amended June 13, 2008, PRM shall meet the following requirements prior to signing this Agreement and during the duration thereof, unless modified by law:

(1) PRM shall certify compliance with the Basic Pilot Program (created in Public Law 208, 104th Congress as amended, and expanded in Public Law 156, 108th congress, as amended, that is administered by the United States Department of Homeland Security) on the attached certification.

(2) PRM shall not knowingly employ or contract with an illegal alien to perform work under this contract for services.

(3) PRM shall not enter into a contract with a subcontractor that fails to certify to PRM that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this contract for services.

(4) At the time of signing this Agreement, PRM has verified or attempted to verify through participation in the Basic Pilot Program (created in Public Law 208, 104th Congress as amended, and expanded in Public Law 156, 108th congress, as amended, that is administered by the United States Department of Homeland Security, that PRM does not presently employ any illegal aliens and, if PRM was not accepted into the Basic Pilot Program prior to entering into this public contract for services, PRM shall apply to participate in the Basic Pilot Program every three months until PRM is accepted or this public contract for services has been completed, whichever is earlier. ~~The provisions specified in this section shall not be~~

required or effective in this public contract for services if the Basic Pilot Program is discontinued.

(5) PRM shall not use the Basic Pilot Program procedures to undertake pre-employment screening of job applicants while this public contract for services is being preformed.

(6) If PRM obtains actual knowledge that a subcontractor performing work under this public contract for services knowingly employs or contracts with an illegal alien, PRM shall: notify the subcontractor and the County within three business days that PRM has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and terminate the subcontract with the subcontractor if within three business days of receiving the notice required pursuant to the previous paragraph, the subcontractor does not stop employing or contracting with the illegal alien; except that PRM shall not terminate the contract with the subcontractor if during such three days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.

(7) PRM shall comply with any reasonable requests by the Department of Labor and Employment ("Department") made in the course of an investigation that the Department is undertaking pursuant to the authority established in § 8-17.5-102 (5), C.R.S.

(8) If PRM violates this section, the County may terminate this Agreement for a material default hereof as otherwise provided herein.

## **IX. EQUAL EMPLOYMENT OPPORTUNITY**

1. PRM will not discriminate against any employee or applicant for employment because of race, color, religion, sex, national origin, or ancestry, age, or handicap. PRM shall adhere to acceptable equal opportunity practices in selecting employees and shall ensure that employees are treated fairly and equitably, without regard to race, color, religion, sex, national origin or ancestry, age or handicap. Such action shall 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. PRM agrees to post in conspicuous places, available to employees and applicants for employment, notice to be provided

by the local public agency setting forth the provisions of this nondiscrimination clause.

2. PRM will, in all solicitations or advertisements for employees placed by or on behalf of PRM, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex national origin, ancestry, age or handicap.
3. PRM will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement so that such provisions will be binding upon each subcontractor, provided that the foregoing provisions shall not apply to contracts or subcontracts for standard commercial supplies or raw materials.
4. PRM shall keep such records and submit such reports concerning the racial and ethnic origin of applicants for employment and employees as County, State, and Federal agencies may require.
5. PRM agrees to comply with such rules, regulations or guidelines as County, State, or Federal agencies may issue to implement these requirements.

#### **X. CONTRACT ADMINISTRATOR**

1. Throughout the term of this contract, the County shall designate a Contract Administrator to be the liaison between the County and PRM. All communications from the County to PRM shall pass through the Contract Administrator. PRM shall bring any problems, questions or concerns it has to the Contract Administrator for resolution or referral to other County staff.
  2. The Contract Administrator shall be the County Administrator, or his designee.
  3. All communications, concerns or questions shall be directed to PRM through Stuart Bruening, or his designee.
  4. Whenever a provision of this contract provides that PRM must obtain approval from the County, said approval shall be obtained through the Contract Administrator, who shall not unreasonably withhold such approval.
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## **XI. TERM**

1. The term of this contract shall be for five years, commencing January1, 2011 and ending December 31, 2015.
2. It is the intent of the parties to renegotiate this contract for an additional five-year (5) term at the end of the present term. In the event that the parties cannot satisfactorily renegotiate an additional five-year (5) term at the end of the present term, the parties shall have no further obligation to each other, subject to the indemnity and hold harmless provision set forth herein.

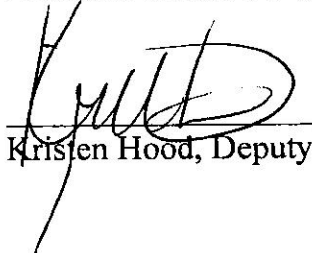


**SIGNATURE PAGE**

**BOARD OF COUNTY COMMISSIONERS**

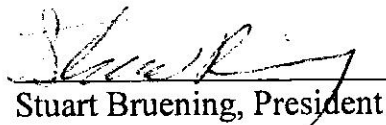
  
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ATTEST  
KAREN LONG  
ADAMS COUNTY CLERK AND RECORDER

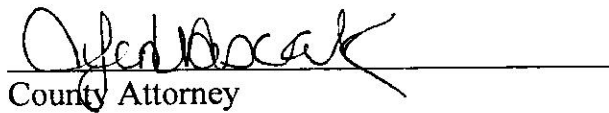
  
Kristen Hood, Deputy



PROFESSIONAL RECREATION  
MANAGEMENT, INC.

  
Stuart Bruening, President

Approved as to form:

  
County Attorney

ADDENDUM 1 TO 2011 MANAGEMENT AGREEMENT BETWEEN ADAMS  
COUNTY AND PROFESSIONAL RECREATION MANAGEMENT, INC.

THIS ADDENDUM 1 is made this 21 day of JULY 2011, by and between the Board of County Commissioners of Adams County Colorado, hereinafter referred to as the "County", located at 4430 S. Adams County Parkway, Brighton, Colorado 80601, and Professional Recreation Management, Inc. ("PRM").

WHEREAS, in 2010 the parties entered into an agreement regarding PRM's management of County's golf courses, to be effective starting January 1, 2011; and,

WHEREAS, the parties mistakenly omitted a paragraph from the Agreement regarding the management and consulting fee; and,

WHEREAS, the parties wish to amend the language in Section IV of the Agreement in order to include the paragraph regarding the management and consulting fee.

NOW, THEREFORE, for consideration set forth herein, the parties agree to modify the Agreement as follows:

1. Section IV of the Agreement shall be replaced by the following:

The County shall be responsible for reimbursing PRM its reasonable expenses for performance of this Agreement, including but not limited to, professional fees, any educational training, travel, licenses, vehicle expense and insurance premiums in an amount not to exceed that year's budgetary appropriation.

Management and consulting fee. The County shall also pay PRM an annual management and consulting fee. The annual management and consulting fee during the term of this Agreement shall be \$108,000. The annual management and consulting fee shall be made in twelve (12) equal monthly installments of \$9,000, due on the first of each month.<sup>1</sup>

Incentive payment. If total operating revenue exceeds total operating expenditures by \$600,000 for the time period from January 1, 2011 to December 31, 2011, and for all subsequent calendar years, PRM is entitled to receive an incentive payment from the County in the amount of \$20,000 and fifteen percent of any amount over \$600,000. Incentive payments shall be paid by the 15th of July. Absent Board approval, if yearly gross revenues are insufficient to cover the year's operating and maintenance expenses at an amount sufficient to adequately maintain the golf courses and facilities, this Agreement is subject to termination by the County upon thirty (30) days written notice to PRM by the County, without further liability to either party.

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<sup>1</sup> Because this Addendum 1 is being executed mid-year, all monthly management and consulting fee payments due before execution of this Addendum 1 shall be due upon the full execution of this Addendum 1.

Definitions.

Total Operating Revenue shall include all “qualified revenues” except interest earnings, revenue generated from sale of capital assets, and revenue generated from investment.

Calculation of Total Operating Expenses shall not include depreciation, incentive payments, (capital improvements as approved in Article VII and value of beginning year end-inventory.)

Net Income shall be calculated pursuant to the cash method of accounting.

Out-Of-Pocket Costs. In addition to the compensation described in the above Section, PRM shall also be reimbursed for all of its reasonable, direct out-of-pocket costs paid in the course of performing its obligations, so long as such amounts are not in excess of the amount set forth in the Approved Plan and Budget for that fiscal year. Any costs not incurred in connection with PRM’s performance of its obligations hereunder shall not be charged to County, and any expenses incurred that benefit County and others must be reasonably prorated among all projects which benefited from such expenditure.

Examination of Records. The payment by County of any portion of the Annual Fee shall not prejudice County’s right to examine the books and records maintained by PRM for any Fiscal Year to enable County to verify, and object to, PRM’s calculation of Gross Revenues, Net Operating Profit and the amount of any Annual Fee due to PRM.

Fund Availability. Payment pursuant to this Agreement, whether in full or in part is subject to and contingent upon the continuing availability of County funds for the purposes hereof. In the event that funds become unavailable, as determined by the County, the County may terminate this Agreement upon sixty-days notice to PRM, or the parties may amend the agreement accordingly.

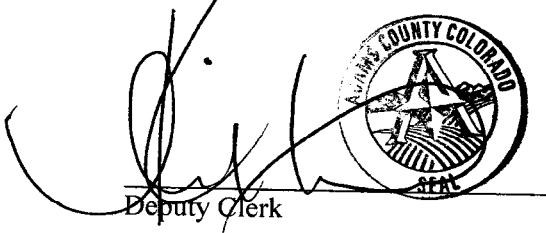
2. Except as modified by this Addendum 1, the terms and conditions of the Agreement shall remain in effect.

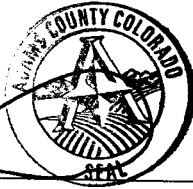
IN WITNESS WHEREOF, the parties have caused their names to be affixed hereto.  
BOARD OF COUNTY COMMISSIONERS  
ADAMS COUNTY, COLORADO

  
Chair

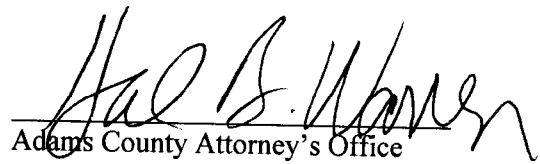
  
Date

ATTEST  
KAREN LONG  
CLERK AND RECORDER

  
Deputy Clerk



APPROVED AS TO FORM:

  
Adams County Attorney's Office

Professional Recreation Services, Inc.

  
Name: