

## **EXHIBIT 2**

### **RECORDKEEPING PROCEDURES FOR INSTRUCTOR AGREEMENT Licensee 70%/City 30% Split**

#### **1. Recordkeeping, Records Retention, and Audit Access**

A. All LICENSEE records directly or indirectly related to this Agreement shall be made available locally, at LICENSEE's expense for inspection and audit by the CITY's Internal Auditor or other designee at all reasonable times and upon reasonable notice during the term of this Agreement.

B. LICENSEE shall make available at reasonable time for CITY's examination, inspection and audit all membership rosters; attendance, financial and statistical records; federal/state tax returns; and any other documents attendant to LICENSEE's provision of goods and services under this Agreement.

LICENSEE's failure to produce records requested by CITY's agents shall be deemed a material breach which entitles CITY to terminate this Agreement as provided herein.

C. If such examination or audit discloses a liability of fees, LICENSEE shall promptly pay the amount due. If such liability exceeds three percent (3%) of the fees, LICENSEE shall pay CITY the amount due and also pay for the cost of the CITY's audit within 10 calendar days.

D. LICENSEE shall be required to record and preserve complete and accurate records for all activities and revenues generated under this Agreement for a period of five (5) years after its termination or as otherwise required by applicable law(s), including the required retention period of the Florida Public Records Act, Chapter 119, Florida Statutes. However, if an audit has been initiated and audit findings have not been resolved, the records shall be retained until resolution of the audit findings.

E. CITY shall be required to record and preserve complete and accurate records for all activities and revenues generated under this Agreement for a period of five (5) years after its termination or as otherwise required by applicable law(s), including the required retention period of the Florida Public Records Act, Chapter 119, Florida Statutes. However, if an audit has been initiated and audit findings have not been resolved, the records shall be retained until resolution of the audit findings.

F. LICENSEE shall operate and conduct the business covered by this Agreement in accordance with all applicable federal, state and local laws, including the laws of Broward County and the charter, ordinances and other regulations of the CITY as may now exist or as may hereafter be adopted.

G. LICENSEE, at its sole expense, shall purchase all necessary licenses and permits required by the State of Florida, Broward County, and the CITY, and be responsible to pay any and all sales taxes and other charges of any nature or kind, which may be assessed against LICENSEE's

provision of goods and services under this Agreement. Proof of such licenses, approvals and sales tax payments shall be submitted to the CITY's Recreation Programs Administrator upon request.

H. LICENSEE, its employees, volunteers, subcontractors and all other agents providing services under this Agreement shall comply with the CITY's Youth Programs Background Screening Policy. At least one week prior to LICENSEE or any of its agents providing services under this Agreement, LICENSEE shall provide the CITY's Contract Administrator a completed and fully-executed Release on all such persons so that CITY, at its sole cost, can conduct the background checks required hereunder. CITY reserves the right to refuse to permit LICENSEE or any of its agents to provide services under this Agreement based upon the grounds for disqualification as stated in the Youth Programs Background Screening Policy.

## **2. Daily Operations**

A. The RecTrac system shall provide the control capability to separately account for the percentage of revenue designated to LICENSEE and CITY, respectively.

B. CITY shall collect the registration, admission and/or application fees for all services LICENSEE provides under this Agreement. CITY Cashier shall enter complete payment into RecTrac. The instructional program fee, as agreed upon by both Licensee and CITY shall be charged and collected by the CITY. Thirty (30%) of the total program fees shall be retained by the CITY and seventy percent (70%) of the total program fee shall be paid to the Licensee by the CITY as compensation for the services provided as described herein. CITY agrees to pay Licensee within thirty (30) days of the close of the month, if fees are collected on a monthly basis, or within thirty (30) days of the date on which fees are due from participants LICENSEE shall receive no portion of additional registration, admission or application fees charged in accordance with the CITY's Fee Schedule, to wit, recreation program registration fees of \$10 for CITY residents and \$20 for non-residents, if fees are collected on a one-time basis.

C. A receipt should be collected from each participant upon entering the class. Anyone trying to enter the class without a receipt shall be sent back to the Front Desk for payment processing.

D. All class participants shall sign an attendance sheet/log upon entering the class. This shall also include the participants who are a one-time observer where the fee has been waived. The Cashier will keep the new participant waivers in a file at the front desk.

E. The agents and representatives of CITY shall have the right to enter in and/or make inspections of the designated premises at any time for the purpose of securing compliance with the terms and conditions of this agreement.

F. Periodic spot checks of all classes will be performed by Recreation Managers, Supervisors and the Accounting Clerk. Attendance sheet/log will be checked, and head counts or roll call will be taken and compared to the RecTrac Activity Roster, Sales History Report and fee waivers for verification that all participants have paid unless fee was waived.

G. After LICENSEE has been approved by the CITY, and the background check(s) have been completed a CITY I.D. Badge will be issued for each LICENSEE instructor, employee, volunteer, subcontractor, or designee of LICENSEE working with the class /program. This I.D. Badge shall be worn at all times while in the CITY facility and shown upon request.