

Exhibit 1

RECORDKEEPING INSPECTION and AUDIT
PROCEDURES

CONTRACTOR shall use such accounting methods and procedures as may be prescribed by CITY, in accordance with generally accepted accounting principles, which shall include but not be limited to, those methods and procedures set forth in Agreement and in this Exhibit.

CITY shall have the right to audit the books, records, and accounts that are pertinent and related to this Agreement. CONTRACTOR shall keep such books, records, and accounts as may be necessary in order to record complete and correct entries related to the Agreement. All books, records, and accounts of CONTRACTOR shall be kept in a written form, or in a form capable of conversion into written form and, upon CITY request to do so, be provided to CITY within a reasonable time. All data provided shall be compatible so that CITY system should be able to read or view it. CONTRACTOR shall make same available at no cost to CITY in written form.

CONTRACTOR shall keep a true and accurate account of all monies received and spent attendant to this Agreement and Bob Loring Enterprises, Inc. Golf Professional activities.

CONTRACTOR shall be required to record, and preserve complete and accurate records and make available at all reasonable times for CITY'S local inspection, examination and audit, complete and accurate records for all work performed that are pertinent and related to this Agreement and as required by applicable law(s), including the required retention period of the Florida Public Records Act, Chapter 119, Florida Statutes, as amended from time to time if applicable, or if the Florida Public Records Act is not applicable, for a minimum period of five (5) years after termination or expiration of this Agreement. 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.

CONTRACTOR shall preserve and make available locally for CITY's examination, inspection and audit at reasonable times, all supporting documentation and records including but not limited to: all business records, bookkeeping/accounting records, monthly reconciliations, financial records, statistical records, receipts, invoices, bank statements, attendance rosters/logs, time logs, sign in sheets, state tax returns and any other documents attendant to CONTRACTOR's work hereunder and as required in Agreement and Exhibits. CONTRACTOR shall, by written contract, also require its subcontractors to agree to the requirements and obligations of this Exhibit and Agreement Article(s).

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

CONTRACTOR agrees that incomplete and incorrect entries in CONTRACTOR records will be grounds for the CITY's allowance of any fees based upon such entries and audit as well as termination of this Agreement.

CONTRACTOR's fiscal year shall begin on January 1 of the calendar year. CONTRACTOR shall deliver each year to the Golf Course Manager, compiled financial statements performed by a certified public accountant as recorded during the course of CONTRACTOR's fiscal operation, and CONTRACTOR shall be responsible for submitting such reports for any partial year. The compiled financial statements shall include the Balance Sheet and related Statements of Income, Earnings and Cash Flows in accordance with the standards established by the American Institute of Certified Public Accountants. The Statement of Income shall be required to separately break out all Pro Shop revenues and expenses.

CONTRACTOR shall prepare the compiled financial statements at its sole expense and provide CITY same no later than ninety (90) days following the close of the fiscal year. In the event CONTRACTOR fails to comply with the foregoing, CITY may employ a certified public accountant to make such an examination at CONTRACTOR's expense. The cost of the examination shall be borne by CONTRACTOR who shall promptly pay for same.