



## LETTER AGREEMENT

This letter agreement is between the Pueblo City-County Library District (District) and Prutch Coffee LLC DBA PJ's Coffee of New Orleans (PJ's Coffee). The agreement provides for the operation of a barista-served cafe located in the Robert Hoag Rawlings Public Library located at 100 E. Abriendo Avenue, Pueblo, CO 81004.

The terms of this agreement are:

Premises – This café spans 654 sq. ft. to include front facing retail area (identified as 119 on attached Drawing 1), contiguous back room storage/prep room (identified as 119.1 on attached Drawing 1) and separate storage room (identified as 112.1 on attached Drawing 1) and is located and operated at the first floor of the newly renovated Robert Hoag Rawlings Library.

Service Plan – PJ's Coffee will provide staffing, equipment and signage designed to support beverage and food services. The District retains the right of final approval for the equipment and signage installed and the product dispensed at the library. Prior to adding any new equipment, PJ's Coffee will provide the District with make, model and any power requirements. PJ's Coffee further agrees that any equipment it provides will be appropriate to the task and where appropriate NSF rated.

The café will operate within hours agreed to by PJ's Coffee and the District, as evidenced in writing and amended thereafter in writing by both parties as necessary

PJ's Coffee, which is operated by Joe & Renee Prutch, will commence operations as a cafe effective on an exact date to be determined upon the completion of the renovation of the Rawlings library on or about August, 2022, whereupon the space will be available, for opening at the earliest available date. PJ's will coordinate with the District to schedule installation of café equipment and signage prior to opening date.

PJ's Coffee will provide staffing, equipment, food products, and supplies for the café.

Term – The term of this agreement begins August 1, 2022 and ends July 31, 2023, subject to annual renewal by both parties. A sixty-day written notice of cancellation shall apply to either party.

Commission – PJ's Coffee will remit 5% of gross sales up to \$375,000 (excluding returns, discounts, and coupons) on all cafe sales to the District. Payment will be due on the 15<sup>th</sup> of every month for previous months' receipts and will include sales information in report format. PJ's Coffee agrees to furnish copies of monthly sales tax returns upon request

which are subject to verification by the District during reasonable business hours and upon reasonable notice to PJ's Coffee.

Maintenance and Equipment – PJ's Coffee will provide equipment not provided by the District; District will provide seating in the library area on the first floor contiguous to the cafe. The equipment provided by the District will remain the property of the District. PJ's Coffee will take reasonable care of equipment owned by the District. PJ's Coffee will keep all equipment in good working order and respond promptly to trouble calls. PJ's Coffee will submit a work order request to the District Facilities Superintendent for all maintenance required to District-provided equipment or café building facilities. Equipment malfunction or damage that is the result of negligence on the part of PJ's Coffee will be the responsibility of PJ's Coffee. The District will provide routine maintenance of the premises, which will include floor and glass cleaning.

Licenses, Permits & Compliance – PJ's Coffee will maintain all necessary licenses and permits to operate a barista-served café in the City and County of Pueblo, including but not limited to permits and licenses for sales tax, health department compliance, etc. Sales tax collection and payments, health department inspections and licensing, business licensing and insurance for operation of the service are the responsibility of PJ's Coffee. PJ's Coffee agrees to maintain a clean working environment to restaurant standards. Any pest control requirements are the responsibility of the District.

Insurance – PJ's Coffee will include the premises on its insurance coverage for public liability, property damage and worker's compensation with the District named as an Additional Insured. PJ's Coffee will furnish evidence of this coverage upon execution of this agreement as well as annually at renewal of coverage.

Utilities & Internet – The District will provide utilities (water, electric, gas, and trash service) and internet access for the café. PJ's Coffee will remain in compliance with all District policies regarding internet usage as well as with the District's Customer Service Policy (<https://www.pueblolibrary.org/sites/default/files/Policies/policycutsrv.pdf>).

Personnel – Independent Contractor status applies at all times to PJ's Coffee, as staffing for this service is the responsibility of PJ's Coffee. PJ's Coffee will provide at its own cost and responsibility all training and employee support for staff it utilizes in providing services on the library premises. All compensation, payroll taxes, benefits, and reporting obligations are the sole responsibility of PJ's Coffee.

Illegal Aliens. PJ's Coffee certifies that it shall comply with the provisions of Section 8-17.5-101, *et seq.*, C.R.S. PJ's Coffee shall not knowingly employ or contract with an illegal alien to perform work under the Agreement or enter into an agreement with a subcontractor that knowingly employs or contracts with an illegal alien. PJ's Coffee represents, warrants and agrees that it has confirmed the employment eligibility of all employees who are newly hired for employment to perform work under the Agreement through participation in either the E-Verify Program or the Department Program described in Section 8-17.5-101, C.R.S. PJ's Coffee shall not use either the E-Verify Program or the Department Program procedures to undertake pre-employment screening of job



applicants while the public contract for services is being performed. If PJ's Coffee obtains actual knowledge that a subcontractor performing work under the Agreement knowingly employs or contracts with an illegal alien, PJ's Coffee shall: (i) notify the subcontractor and the District within three (3) days that PJ's Coffee has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and (ii) terminate the subcontract with the subcontractor if within three (3) days of receiving such notice, the subcontractor does not stop employing or contracting with the illegal alien, unless the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien. PJ's Coffee shall comply with all reasonable requests made in the course of an investigation by the Colorado Department of Labor and Employment. If PJ's Coffee fails to comply with any requirement of Section 8-17.5-102(2), C.R.S., the District may terminate the Agreement for breach, and PJ's Coffee shall be liable for actual and consequential damages to the District. If PJ's Coffee participates in the Department Program, PJ's Coffee shall provide the affirmation required under Section 8-17.5-102(5)(c)(II), C.R.S., to the District.

PJ's Coffee, if operating as a sole proprietor, hereby swears or affirms under penalty of perjury that PJ's Coffee (i) is a citizen of the United States or legal permanent resident or otherwise lawfully present in the United States pursuant to federal law, (ii) shall comply with the provisions of Section 24-76.5-101, *et seq.*, C.R.S., and (iii) shall produce one of the forms of identification required by Section 24-76.5-103, C.R.S., prior to the performance of any of its other obligations hereunder.

Annual Appropriation. Pursuant to Article X, Section 20 of the Colorado Constitution and Section 29-1-110, C.R.S., the District's obligations hereunder are subject to the annual appropriation of funds necessary for the performance thereof, which appropriations will be made in the sole discretion of the District's Board of Trustees.

Notices/correspondence – Any notice or correspondence necessitated by this agreement should be addressed as follows:

Renee & Joe Prutch Franchisee  
Prutch Coffee LLC  
DBA PJ's Coffee of New Orleans  
18 San Marino Ct.  
Pueblo, CO 81005  
719-251-2673  
Executed this \_\_\_\_ day of July 2021.

Jon Walker, Executive Director  
Pueblo City-County Library District  
100 E. Abriendo  
Pueblo, CO 81004  
719-562-5625

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By: Renee Prutch, PJ's Coffee

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By: Jon Walker, District

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