HOTEL/MOTEL TAX FUNDING AGREEMENT

This agreement made and entered into this 31st day of July 20, 2012 between the City of North Bonneville, a municipal corporation of the State of Washington, hereinafter referred to as "City", and Bonneville Hot Springs Resort, a Washington corporation, hereinafter referred to as "Contractor."

Recitals

- The City desires to increase the distribution of information about the City to attract visitors to the City and to increase tourism amongst a diverse group of visitors.

- Among other things, the increased signage and a September concert would attract individuals and families to the area, thus encouraging knowledge of the City's attractions as well as encouraging overnight stays.

- The September Concert is scheduled as a Fall event – a time when tourism is low and additional event/attractions are needed.

- Contractor will develop promotional material and conduct operations focused on bringing new audiences to our community and promoting its tourism potential.

- It is in the City's interest to contract with Contractor to perform certain activities relating to the encouragement of increased tourism, to continue and improve events and tourism opportunities located in the City, to promote interest in the City and the local region and to act on the City's behalf in disseminating information about the City.

Now, therefore, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. Performance & Payment. The City will reimburse Contractor for the work described in Exhibit "A" upon receipt and approval by the City of an itemized billing for such work. Billings shall be submitted within 45 days of the completion of each task. If the work involves payment to a third party, Contractor may bill the city prior to such payment so long as Contractor has created a legal obligation to make such payments. Proof of such obligation shall be required before payment. Total payments from the City for the work described in Exhibit "A" will not exceed $7,000.

   The City may withhold payment if Contractor cannot demonstrate to the City's satisfaction substantial compliance with the terms of Exhibit "A". Failure to submit satisfactory work reports demonstrating substantial compliance with

Exhibit "A" shall be considered a breach of this agreement, and the City will be excused from further performance hereunder.

2. Completion. Contractor shall complete the work to be performed under this agreement on or before December 31st, 2012.

3. Termination and Waiver. Upon default by either party of any of the terms of this agreement, the non-defaulting party may terminate the agreement after written notice to the defaulting party. Failure by the non-defaulting party to exercise the right to terminate or take any action upon default shall not constitute a waiver of any rights and shall not excuse any such default**.** However, upon default and termination, the non-defaulting party is excused from further performance hereunder.

4. Status of Contractor. It is hereby understood, agreed and declared that Contractor is an independent contractor and not the agent or employee of City and that no liability shall attach to City by reason of entering into this agreement, except as may be provided herein.

5. Insurance and Liability. Contractor shall indemnify and save the City harmless from any and all liability arising hereunder, including costs, damages, expenses and legal fees incurred by City in connection therewith, for injury (including death) to persons or damage to or loss of property (including equipment) caused by or arising out of the work performed under this agreement.

   Contractor further agrees, and has specifically negotiated, to waive its immunity under the State Industrial Insurance Act (RCW Title 51) to indemnify and hold the City harmless from any claims made against the City by Contractor employees, agents, contractors, subcontractors or other representatives.

   Contractor may be required to obtain appropriate event insurance. This insurance may be available through the City's insurance carrier.

6. Assignment. This agreement shall not be transferred, assigned, or sublet by either party without prior written consent of the other party.

7. Ownership of Work Product. All cards, brochures, pamphlets, maps, displays, and any other thing or idea created or produced by Contractor pursuant to this agreement shall be and remain the property of Contractor.

8. Completeness of Agreement and Modification. This document contains all of the terms and conditions of this agreement, and any alterations or variation of the terms of this agreement shall be invalid unless made in writing and signed by both of the parties hereto. There are no other understandings, representations, or agreements, written or oral, not incorporated herein.

9. Governing Law and Venue. The laws of the State of Washington shall govern the construction of this agreement and any dispute arising hereunder. The parties agree that the Superior Court of Skamania County shall be the venue for any litigation brought in relation to this agreement.

10. Costs and Attorney Fees. In the event either party hereto institutes, defends, or is involved with any action to enforce the provisions of this contract, the prevailing party in such action shall be entitled to reimbursement by the losing party for its court costs and reasonable attorney costs and fees at trial and on appeal.

11. Certification of Authority. The undersigned certify that the persons executing this agreement on behalf of City and Contractor have legal authority to enter into this agreement on behalf of City and Contractor respectively and have full authority to bind City and Contractor in a valid Agreement on the terms herein.

IN WITNESS WHEREOF, the parties hereto have set their hands and seals the day and year first above written.

CITY OF NORTH BONNEVILLE		CONTRACTOR	
_____	_____	_____	_____
Don Stevens, Mayor	Date	Marfa Scheratski, General Mgr	Date

ATTEST:

_____
John Spencer
Clerk to the Council

EXHIBIT A

Task A, Marketing September Concert
Contractor will, in cooperation with Skamania Performing Arts Foundation, complete marketing activities for a Performing Arts Guest Series concert in September.

Task B, Signage
Contractor will perform the necessary activities in order to obtain signage that markets both the Hot Springs Resort specifically, and the City of North Bonneville generally.

Task C, Tourism Tax Evaluation Report
Contractor will complete a Tourism Tax Evaluation Report (Exhibit B) as mandated by the Washington State Legislature and will submit it to the City within two months after the completion of the event/attraction.

Task D, Final Accounting and Report
Contractor shall submit a brief report detailing the event/attraction's ability to secure other funding support. This information may be used to evaluate future contracts.

The City is interested in the long term success of the Contractor and its event/attraction and understands that such events/attractions are dependent upon a range of funding including sponsors, grants, ticket sales and other gifts.

Total Contract Amount: $7,000

EXHIBIT B

Tourism Tax Evaluation Report Form
for the City of North Bonneville

For festivals, special events and tourism related facilities using Hotel/Motel Taxes

1. Organization:_____

2. This report covers:
   Event Name:_____Date:_____
   or
   Tourist Facility: _____Dates:_____

3. Total Lodging Tax funds allocated for this event and/or facility: $_____

4. Estimated total event attendance or user count for the facility: _____
   (*Please describe the method used to determine your count)*

5. Estimate the percentage of total attendance for the event or the facility as follows (Please note the definitions Washington State is using for this form and that your numbers may not be additive):

   Tourists_____% (Person who travels from a place of residence to a different town, county state for business, pleasure, recreation, education)

   Traveler _____% (Person who traveled more than 50 miles, include Portland/Vancouver)

   Overnight _____% (Person who stayed overnight)
   (*Please describe method used to determine your percentages)*

6. Estimated total room nights generated by the event/facility _____
   (*Describe method used to determine the number)*

7. Discuss any other information that would describe the impact of your event or facility on the local economy.

8. Submitted by: _____

   E-Mail _____Phone_____

   Date: _____

During 2007 the Washington State Legislative Session the legislature explored the use of lodging taxes (Hotel/Motel Tax) and after some debate and comments from the Lodging Industry decided to modify the lodging tax reporting requirements. The City must now annually report the following to the State of Washington:

1. Total amount of lodging tax revenue received
2. The list of festivals, special events and tourism facilities that receive the funds
3. The amount of lodging tax revenue expended on the festival, event or tourism-related facility
4. Estimated number of tourists by category – tourist, traveler, or overnight guest
5. Any other measurements that the City would like to provide to defend the use of the lodging tax

Thank you for your assistance with gathering this information. Completion of this form is and will remain an obligation of any organization using lodging taxes. Please return to:

City of North Bonneville
PO Box 7
North Bonneville, WA 98639