Mammoth Lakes Tourism Monthly Board Meeting

Tuesday – March 12, 2019 - 1:00-3:00pm in Suite Z

Board Member Call in # (310) 372-7549 - Participant Code 934985 - Host Code 3838

Meeting Agenda

a. Call Meeting to Order – Scott McGuire, Board Chairman

b. Roll Call – Scott McGuire - Chairman (At-Large June 2020 2-year term) Brent Truax – Vice-Chairman (Chamber no term), John Morris – Treasurer (Lodging June 2021 3-year term), Sean Turner - Secretary (Retail June 2020 3-year term), Kirk Schaubmayer – (Lodging June 2020 2-year term), Michael Ledesma – (Restaurant June 2020 3-year term), Mayor Cleland Hoff (Town Council no term), Eric Clark (MMSA no term), Paul Rudder (At-Large June 2019 2-year term),

c. Board Member Comments

d. Public Comment – Please limit to three minutes or less

e. Minutes – Approval of board meeting minutes from February 6th - Attached

f. Wayfinding Presentation Update – Haislip Hayes and Caroline Casey – 10 minutes - Attached
A brief update on the wayfinding signage program and specifically the special event monument and screen proposed for the corner of Old Mammoth Road and Main Street

g. New Business

1. Form 700
   a. All MLT board members and staff directors must complete annual Form 700 (for calendar year 2018) and submit to Jamie Gray at jgray@townofmammothlakes.ca.gov no later than April 1, 2019

2. Updates from Internal ad hoc committee meetings – 20 minutes
   a. MLT By Laws – Paul (lead) Scott, Brent and Cleland
   b. MLT & TOML DRAFT Contract - Scott (lead) Paul & Eric – Attached
   c. TBID Survey – Sean (lead), Michael & Kirk
   d. Set up TBID appeal panel for recent appeals – select three board members to participate week of 3/18

3. Destination Management Strategy – 5 minutes
   a. This is a 15-20 master plan of how our community can continue to grow visitation and handle the increases through recommended programs and infrastructure. The process will involve; government, NGO’s, commissions, business community, residents, second home owners and visitor input. Anticipation is that this will take roughly 18 months at a cost of roughly $200,000
   b. Funding could possibly come from the MLT/TOML joint reserve fund
   c. John Urdi, John Wentworth, Lara Kaylor initial planning group
   d. Initial discussions with San Luis Obispo County about their experience with this process that they plan on completing in June 2019
   e. Next steps will be to seek out qualified companies to present RFQ’s
   f. Goal will be to get this process started summer 2019

4. Board Seat – 5 minutes
   a. Paul Rudder’s at-large seat (2-year term)
   b. Press release and solicitation of potential board members sent out February 22nd
c. Accepting resumes and letters of interest through April 1st

Interviews will be coordinated April 1-April 26th

e. Recommendations to the board at May 1st or June 6th board meeting (TBD)

f. Select MLT board member nominating committee of three – discussion and vote

5. Event Site update – Paul Rudder – 5 minutes

6. MLT external contract review process – Scott McGuire – 5 minutes

h. Department Updates – A brief recap of past, current and future efforts of each department - 20 minutes
   Lara Kaylor – Communications
   Ken Brengle – Chamber of Commerce
   Caroline Casey – Special Events Funding process – past and future
   Michael Vanderhurst – International Sales – Travelling and unavailable
   Matt Gebo – Marketing

i. Executive Director Performance Review and Contract – John Morris – 30 Minutes
   1. Annual performance review and bonus for MLT Executive Director
   2. Recommendations for MLT Executive Director contract renewal
   3. Discussion and vote by the Board of Directors

j. Financial Reports – An update regarding the financial health of the organization – 10 Minutes
   1. Preliminary Budget Discussions and Timeline
      a. Strategy Workshop with MLT board, staff and agencies April 3rd extended BOD meeting (1-4:30pm)
      b. First pass of 2019-20 budget for review – scheduled for the May board meeting
      c. Final approval of 2019-20 budget – scheduled for the June board meeting
   2. TOT & TBID – review previous months results – TOT and TBID info Attached
      a. TOT for January $3,000,074 which is +$950,074 and +46% to budget. +$484,409 and +19% to LY
      b. January exceed previous January/highest month TOT record by $343,564 or 12.9% 
      c. YTD TOT is +$3,263,401 and +42% ahead of budget and +$606,228 and +6% to LY YTD 
      d. TBID for January $881,694 which is +$161,694 and +22.5% to budget 
      e. YTD TBID is $2,975,574 on a budget of $2,683,000 so we are +$292,574 and +11%
   3. Cash Flow and CDARS info – discussion of current bank balances & reserve account activity 
      a. CDARS Balances Measure A $800,321.04 & TBID $2,001,440.57m 
      b. Measure A Checking = $1,0010,783.43and Measure A Savings = $5,012.21 
      c. TBID Checking = $1,332,199.75 and TBID Savings = $5,007.65
   4. Joint Bucket Funds – estimated balance in the MLT/ Town Council Joint Reserve Account 
      a. $589,922 FY through January 2019
   5. P&L Reports – Questions from the board regarding MLT financials

k. Mammoth Resorts Update – Eric Clark – 5 minutes

l. Key Takeaways
   m. TOT for January $3,000,074 which is +$950,074 and +46% to budget. +$484,409 and +19% to LY
   n. January exceed previous January/highest month TOT record by $343,564 or 12.9%
   • YTD TOT is +$3,263,401 and 42% ahead of budget and +$606,228 and +6% to LY YTD
   • YTD TBID is $2,975,574 on a budget of $2,683,000 so we are +$292,574 and +11%

Next scheduled BOD Meeting for Wednesday, April 3, 2019 extended 1 ½ hours to 1-4:30pm (2-hour budget workshop)
Meeting Agenda

a. Call Meeting to Order – Scott McGuire, Board Chairman, called the meeting to order at 1:05 p.m.

b. Roll Call – Present - Scott McGuire, Brent Truax, John Morris, Sean Turner, Kirk Schaubmayer, Michael Ledesma (arrived at 1:07 p.m.), Mayor Cleland Hoff (arrived at 2:34 p.m.), Eric Clark.
   Absent - Paul Rudder

c. Board Member Comments –
   1. Scott McGuire – Hope everyone is dug out from the storms. Weather made National news. (Michael Ledesma arrived) Nice to see the Ikon pass email about visiting Mammoth Lakes.

d. Public Comment – None

e. Minutes – Approval of board meeting minutes from January 10th
   Kirk Schaubmayer stated that he would abstain from voting on the minutes as he had not had time to read them. Sean Turner noted that in item j. he is listed as the Treasurer when in fact he is the Secretary. Brent Truax noted that it should be clarified under item h. Department updates, that Matt Gebo is “looking to” replace Josh Wray. The line currently reads like he is the replacement for Josh Wray.

   ACTION: It was moved by Brent Truax, seconded by John Morris, and carried by a 6-0 voice vote with Board members Mayor Cleland Hoff and Paul Rudder absent and Board member Kirk Schaubmayer abstaining, to approve the minutes of January 10th, 2018 regular meeting.

f. New Business
   1. Government Shutdown/Welcome Center Update – John Urdi provide the Board with an update on previous Government shutdown, as well as possible upcoming Government shutdown operations.

   2. Updates from Internal ad hoc committee meetings –
      a. MLT By Laws – Paul (lead) Scott, Brent and Cleland – no update
      b. MLT & TOML Contract - Scott (lead) Paul & Eric – no update
      c. TBID Survey – Sean (lead), Michael & Kirk – met last Thursday and doing some additional research on how to frame the survey to get the best feedback in a neutral way.

   3. Air Service Marketing Executive Summary – Matt Gebo gave the Board an update on air service marketing.
      JetSuiteX
      a. Exceeding or in line with benchmarks – total impressions from Facebook 6,053,000
      b. CTR and CPC both well exceeded benchmarks
      c. Continue co-op opportunities as they allow for real-time optimization and brand flexibility
      d. Working with JetSuiteX to correlate ad spending with booking data

      United Airlines
      a. Direct United placements falling slightly behind benchmarks when compared to MLT direct ad placements – total impressions from Facebook 6,062,000
      b. CTR and Engagement Rate are above benchmark on awareness, but behind on conversion
      c. Complete co-op cycle with United for 2018-19 winter routes while continuing to push United team to optimize the program
d. Continue to work with United to develop a booking widget to integrate into www.VisitMammoth.com for better user experience with MLT placed ads, as well as work on integrating landing pages for air campaigns.
e. Per United team recommendation, update efforts to be 70% awareness and 30% direct response as new routes benefit more from awareness support.
f. Consider lifting specific marketing budget allotments in turn for one fund for any qualified users across all markets.

Overall

a. Consider an air program specific video with partners for future awareness layer usage.

The Board had a discussion about air marketing and various observances about the flights.

4. Event Site update – Due to Paul’s absence this item was tabled until after the Department updates.
Scott McGuire gave the Board an update on the Event Site litigation. The judge recused himself, and they are in the process of reassigning a judge. There will be a status conference on February 21st. Probably won’t be looking at a hearing until March or April – will know more after the 21st meeting. Legal Counsel Tim Sanford arrived at 2:10 p.m. and provided the Board with further information about the timeline and process.

The Board then returned to item h. Executive Director Performance Review and Contract.

5. Board Seats –
   a. Discussion of upcoming terms ending June 2019 and process for consideration
   b. Paul Rudder’s at-large seat (2 year term)
   c. Appointed Chamber seat will change over from Brent Truax to Jeremy Goico at July board meeting

   John Urdi reviewed process and timing for upcoming available Board seats with the Board. The open at large seat only requires the person in that seat has an active business license within the Town of Mammoth Lakes. Scott McGuire asked that a notification be sent to the local newspapers, informing the public of the seat opening and the application process. The Board agreed that a 30-day application window, followed by a 30-day window to interview applicants with a new member being decided at the June Board meeting would be sufficient for timing to allow all interested parties to apply and be interviewed. Applications will be accepted March 1 until April 1, with interviews to follow.

6. Department Updates –
   Lara Kaylor – Communications update: another busy month for media visits; The Crib has the Argentinian Freestyle Snowboard Team coming for training next week and competing in the Grand Prix. The Crib is booked through May.
   Ken Brengle – Chamber of Commerce update: The Chamber is in Anaheim at the Western Association for Chamber Executives and was not present for the meeting.
   Caroline Casey – Special Events update: January had 10 events - mainly local, not many room nights. Event producers have been good about completing post event survey and providing data on events. Mammoth Film Festival starts on Thursday, runs through Monday. Tomorrow (Thursday) at 3 p.m. in Suite Z there will be a meeting on Special Event funding, recommendations go to council on February 20th. Event producer workshop on April 9th; educational sessions to help local event producers. Looking at a number of event opportunities for the summer/fall. Working with the Town on digital signage at the corner of Old Mammoth and Main Street – meeting with CalTrans went well, they had no issue with digital signage.
   Michael Vanderhurst – International Sales update: FAM tour season – so far only one cancellation due to weather – Italian luxury FAM – working to reschedule. Last week had two days of sales call with SF travel; partnership with SF Travel allows us to support the San Francisco flight and also connect with more
international travelers. Primary focus on Chinese receptive community. Receptive help put together itineraries and then sells them to travel agents or wholesalers back in China.

Matt Gebo – Marketing update: Extended an offer to Dakota Snider to replace Josh Wray. United Fare sale launched yesterday through February 15th. YARTS deal: for Summer of 2019 if you fly to Mammoth Lakes you can get a free ride on YARTS to Yosemite with your boarding pass. Working on a stranded traveler rack card to offer discounts to travelers whose flights get canceled or are otherwise stranded in Mammoth Lakes due to weather impacts.

h. Executive Director Performance Review and Contract –
1. Annual performance review and bonus for MLT Executive Director
2. Recommendations for MLT Executive Director contract renewal
3. Discussion and vote by the Board of Directors

The Board heard an opinion from legal counsel Tim Sanford regarding the discretionary bonus for John Urdi, which was also sent to the Board and posted along with the agenda on the Mammoth Lakes Tourism website. The Board had a discussion regarding the legal opinion, the Executive Director’s review and performance, and the possibility of a metric based bonus. (Mayor Cleland Hoff arrived during the conversation at 2:34 p.m.) The Board discussed that based on the metrics in John’s existing contract he was due a metric based bonus, as stated in his contract.

ACTION: It was moved by Eric Clark, seconded by Sean Turner, and carried by an 8-0 voice vote with Board member Paul Rudder absent, to approve a metric based bonus of $2,922 for contractual metrics based on enplanements met during the 2017-2018 fiscal year.

ACTION: It was moved by Eric Clark, seconded by John Morris, and carried by an 8-0 voice vote with Board member Paul Rudder absent, to ask counsel to further research if the Board can retroactively create a contract dated to July 1, 2018, for Executive Director for the fiscal year 2018-19, with new metrics discussed by the Board at the start of the 2018-19 fiscal year.

i. Financial Reports – John Urdi gave an update to the Board on the financials of the organization.
1. 2018 Summer Air Subsidy
   a. Paid $654,678 ($523,742.40 from TBID and $130,935.60 from Measure A)
   b. We received $50,000 in support from Mono County
   c. We had $640,000 budgeted in TBID and $150,000 budgeted in Measure A
   d. Savings of $116,257.60 in TBID and $19,064.40 in Measure A
   e. Annual cap with Alaska Airlines of $1,650,000 for year-round LAX flight

The Board had a discussion about subsidy moving forward with United and possible summer subsidy amounts

2. Preliminary Budget Discussions and Timeline – John Urdi gave the Board a review of preliminary budget discussions
   a. Preliminary internal budget meeting held with MLT directors Friday 2/1
   b. Strategy meeting with MLT board, staff and agencies mid-March
   c. First pass of 2019-20 budget for review – tentatively April 3rd board meeting
   d. Final approval of 2019-20 budget – tentatively May 1 board meeting

3. TOT & TBID – review previous months results – TOT and TBID info attached
   a. TOT December $2,593,370 which is +$698,370 and +37% to budget. +$235,965 and 10% to LY
   b. YTD TOT is +$2,297,853 and 40% ahead of budget and +$106,345 and +1% to LY YTD
   c. TBID for December $838,052 which is +$143,052 and +21% to budget
   d. YTD TBID is $2,095,487 on a budget of $1,963,000 so we are +$132,487 and +6.7%

4. Cash Flow and CDARS info – discussion of current bank balances & reserve account activity
   a. CDARS Balances Measure A $800,348.40 & TBID $2,001,539.43
b. Measure A Checking = $1,638,203.48 (includes Q3 TOT payment from TOML)

c. Measure A Savings = $5,011.96

d. TBID Checking = $747,583.04

e. TBID Savings = $5,007.40

5. Joint Bucket Funds – estimated balance in the MLT/ Town Council Joint Reserve Account
   a. $415,381 FY through November 2018 – none of this has been allocated.

6. P&L Reports – There were no questions from the Board regarding MLT financials (Sean Turner left the meeting at 3:30 p.m.)

j. Mammoth Resorts Update – Eric Clark – Total accumulation at the top of the mountain was 132 inches (11 feet). Mountain set a lodging record in December, that they then beat in January, so things are looking good for the winter. Blackout dates are still being evaluated but the spread of demand has been positive.

k. Key Takeaways
   a. TOT December $2,593,370 which is +$698,370 and +37% to budget. +$235,965 and 10% to LY
   b. YTD TOT is +$2,297,853 and 40% ahead of budget and +$106,345 and +1% to LY YTD
   c. TBID for December $838,052 which is +$143,052 and +21% to budget
   d. YTD TBID is $2,095,487 on a budget of $1,963,000 so we are +$132,487 and +6.7%

Future Meeting Dates:
   Next scheduled Board Meeting for Wednesday, March 6, 2019

(The meeting has been rescheduled to Tuesday, March 12 from 1 – 3 p.m. in Suite Z.)

The meeting was adjourned at 3:33 p.m.)
Digital Signage Project

Mammoth Lakes Tourism Board Presentation
March 12, 2019
Project Considerations

Project Benefits:

• Ability to Have Safety Messages in Times of Need (Chain Controls, Controlled Burn)
• Present a Professional/Upgraded Look to the Footloose Corner for our visitors and locals that corresponds with the design of the entry signage and wayfinding project
• Ability to have multiple events promoted at one time
• Reduction in cost and waste of physical banners
• Ability to charge a nominal fee to supplement the ongoing maintenance costs

Project Considerations:

• Snow Maintenance
• Ongoing Maintenance
• Design is Consistent with Wayfinding Project/Town Entry Signage
Work Flow & Process

1
✓ Funding
✓ Site Engineering (Streetlights/Sidewalks/Monument/Head Ramp/Drainage/Utilities)
✓ Foundation Engineering

2
✓ OMR Beautification Process/Outreach to Businesses
✓ TOML/MLT Presentation – Public Engagement
✓ Bidding/Specs

3
✓ CEQA Assessment

4
✓ CalTrans Encroachment Permit
✓ Sign Permit TOML
✓ Zoning Code Amendment

Ongoing
✓ Digital Board/Back End Interface System Purchase
✓ Signage Implementation Project/Guidelines
✓ Maintenance/Future Upgrades
Project Timeline

• **Jan/Feb 2019**: Progress on Feasibility, Research, Codes, and Permitting
• **March 12, 2019**: Presentation of Project to Mammoth Lakes Tourism Board
• **April 2019**: Site Engineering & Foundation Engineering
• **April/May 2019**: Purchase Digital Board/Back End Interface
• **April/May 2019**: Finalize Bid for Sign Foundation Structure/Site Work
• **June 2019**: Public Engagement/Business Outreach
• **Summer 2019**: Site Work & Creation of Guidelines
• **July 2019**: CEQA Assessment/CalTrans/Sign Permit TOML/ZCA
• **Fall 2019**: Construction
• **Late Fall 2019**: Digital Signage in Operation
CONSTRUCTION / MAINTENANCE ORG CHART
• Project Managers:
  • Haislip Hayes – Engineering Mgr.
  • Jennifer Shedden – Associate Engineer

ADMIN ORG CHART
• Events Content:
  • Caroline Casey (MLT)
  • TOML - TBD
• Emergency Content:
  • Town of Mammoth Lakes
  • MLPD
  • CalTrans
  • USFS
  • MLFD
Project Budget

• Digital Board/Monument/Back End Interface = $170K
• Site Work = $25K - $100K (TOML)
• OMR Beautification = TBD - ongoing process by OMR assessment district
• 1st Year Maintenance = TBD - should be offset by fees
SERVICES AGREEMENT BETWEEN THE TOWN OF MAMMOTH LAKES AND MAMMOTH LAKES TOURISM

1. **PARTIES AND DATE.**

   This Agreement is made and entered into effective on the 1st day of July 2018, by and between the Town of Mammoth Lakes, a municipal corporation, organized under the laws of the State of California, with its principal place of business at 437 Old Mammoth Rd., Suite 230, Mammoth Lakes, California, 93546 (“Town”) and Mammoth Lakes Tourism, a California public benefit corporation and Federal 501(c)(6) nonprofit, with its principal place of business at 2520 Main Street, Mammoth Lakes CA, 93546 (“Contractor” or “MLT”). Town and Contractor are sometimes individually referred to herein as “Party” and collectively as “Parties.”

2. **RECITALS.**

   2.1 **Contractor.**

   Contractor desires to perform and assume responsibility for the provision of Town’s tourism attraction, marketing and branding services, required by the Town on the terms and conditions set forth in this Agreement. Contractor represents that it is experienced in providing said professional services to public clients, is licensed in the State of California, and is familiar with the plans of Town.

   2.2 **Project.**

   Town desires to engage Contractor to render such professional services related to Town’s visitor attraction, marketing, branding, and visitor experience as set forth in this Agreement.

3. **TERMS.**

   3.1 **Scope of Services and Term.**

   3.1.1 **General Scope of Services.** Contractor promises and agrees to furnish to the Town all labor, materials, tools, equipment, services, and incidental and customary work necessary to fully and adequately supply the professional services related to visitor attraction, marketing, branding, public relations and visitor experiences (“Services”). The Services are more particularly described in Exhibit “A” attached hereto and incorporated herein by reference. All Services shall be subject to, and performed in accordance with, this Agreement, the exhibits attached hereto and incorporated herein by reference, and all applicable local, state and federal laws, rules and regulations. Exhibit “A” sets forth the deliverables under the scope of work. In the event this Agreement is extended, Exhibit “A” shall be updated to reflect changes in specific deliverables.

   3.1.2 **Term.** The term of this Agreement shall commence on July 1, 2018 and terminate June 30, 2019, unless extended by the Town for a term not to exceed one year. Notwithstanding the foregoing, this Agreement may be terminated as provided herein.
3.2 Responsibilities of Contractor.

3.2.1 Independent Contractor; Control and Payment of Subordinates. The Services shall be performed by Contractor or under its supervision. Contractor will determine the means, methods and details of performing the Services subject to the requirements of this Agreement. Town retains Contractor on an independent contractor basis and not as an employee. Contractor retains the right to perform similar or different services for others during the term of this Agreement. Any additional personnel performing the Services under this Agreement on behalf of Contractor shall also not be employees of Town and shall at all times be under Contractor's exclusive direction and control. Neither Town, nor any of its officials, officers, directors, employees or agents shall have control over the conduct of Contractor or any of Contractor's officers, employees, or agents, except as set forth in this Agreement. Contractor shall pay all wages, salaries, and other amounts due such personnel in connection with their performance of Services under this Agreement and as required by law. Contractor shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: social security taxes, income tax withholding, unemployment insurance, disability insurance, and workers’ compensation insurance.

3.2.2 Key Personnel. Contractor has represented to Town that certain key personnel will perform and coordinate the Services under this Agreement. The key personnel for performance of this Agreement are as follows: Executive Director (John Urdi, as of the date of adoption) and the Board of Directors.

3.2.3 Town's Representative. The Town hereby designates the Town Manager or designee, to act as its representative in all matters pertaining to the administration and performance of this Agreement (“Town's Representative”). Town's Representative shall have the power to act on behalf of the Town but not the authority to change the total compensation due to Contractor under this Agreement. Any official communication from the Town of Mammoth Lakes with respect to the performance of this contract by the Contractor must come from either the Town Manager or the Town Council, and no other party.

3.2.4 Contractor's Representative. Contractor hereby designates John Urdi, Executive Director or his/her designee, or the executive director as may be filled during the term of this agreement, to act as its representative for the performance of this Agreement (“Contractor's Representative”). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement at the direction of the MLT Board. The Contractor's Representative shall supervise and direct the Services, using his/her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all portions of the Services under this Agreement.

3.2.5 Coordination of Services. Contractor agrees to work closely with Town staff in the performance of Services and shall be available to Town's staff, Contractors and other staff at all reasonable times.

3.2.6 Standard of Care; Performance of Employees. Contractor shall perform all Services under this Agreement in a skillful and competent manner, consistent with the standards
generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the professional calling necessary to perform the Services. Contractor warrants that all employees and subcontractors shall have sufficient skill and experience to perform the Services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the Services, and that such licenses and approvals shall be maintained throughout the term of this Agreement. As provided for in the indemnification provisions of this Agreement, Contractor shall perform, at its own cost and expense and without reimbursement from the Town, any services necessary to correct errors or omissions which are caused by the Contractor's failure to comply with the standard of care provided for herein.

3.2.7 Laws and Regulations. Contractor shall keep itself fully informed of and in compliance with all local, state and federal laws, rules and regulations in any manner affecting the performance of the Services, and shall give all notices required by law. Contractor shall be liable for all violations of such laws and regulations in connection with Services. If Contractor performs any work knowing it to be contrary to such laws, rules and regulations, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold Town, its officials, directors, officers, employees, agents, and volunteers free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.

3.2.8 Insurance:

3.2.8.1 Time for Compliance. Contractor shall not commence work under this Agreement until it has provided evidence satisfactory to the Town that it has secured all insurance required under this section. In addition, Contractor shall not allow any subcontractor to commence work on any subcontract until it has provided evidence satisfactory to the Town that the subcontractor has secured all insurance required under this section.

3.2.8.2 Types of Insurance Required. As a condition precedent to the effectiveness of this Agreement for work to be performed hereunder, and without limiting the indemnity provisions of the Agreement, the Contractor, in partial performance of its obligations under such Agreement, shall procure and maintain in full force and effect during the term of the Agreement the following policies of insurance. If the existing policies do not meet the insurance requirements set forth herein, Contractor agrees to amend, supplement or endorse the policies to do so.

(A) Commercial General Liability: Commercial General Liability Insurance which affords coverage at least as broad as Insurance Services Office “occurrence” form CG 0001, or the exact equivalent, and shall be no less than $1,000,000 per occurrence and no less than $2,000,000 in the general aggregate. Defense costs shall be paid in addition to the limits. The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; or (3) contain any other exclusion contrary to the Agreement.

(B) Automobile Liability Insurance: Automobile Liability Insurance
with coverage at least as broad as Insurance Services Office Form CA 0001 covering “Any Auto” (Symbol 1), or the exact equivalent, covering bodily injury and property damage for all activities shall be in an amount of not less than $1,000,000 combined limit for each occurrence.

(C) Workers’ Compensation: Workers’ Compensation Insurance, as required by the State of California and Employer's Liability Insurance with a limit of not less than $1,000,000 per accident for bodily injury and disease.

(D) Professional Liability: Professional Liability insurance with minimum limits of $1,000,000. Covered professional services shall specifically include all work to be performed under the Agreement and delete any exclusions that may potentially affect the work to be performed (for example, any exclusions relating to lead, asbestos, pollution, testing, underground storage tanks, laboratory analysis, soil work, etc.). If coverage is written on a claims-made basis, the retroactive date shall precede the effective date of the initial Agreement and continuous coverage will be maintained or an extended reporting period will be exercised for a period of at least three (3) years from termination or expiration of this Agreement.

3.2.8.3 Endorsements. Required insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to the Town for approval.

(A) The policy or policies of insurance required by Section 3.2.8.2(A), Commercial General Liability shall be endorsed to provide the following:

(1) Additional Insured: Contractor agrees to endorse the third party general liability coverage required herein to include as additional insured the Town, its officials, employees and agents, using standard ISO endorsement No. CG 2010 with an edition date of 1985. Contractor also agrees to require all contractors, subcontractors, and anyone else involved in any way with the Services contemplated by this Agreement to do likewise.

(2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the Town except ten (10) days shall be allowed for non-payment of premium.

(B) The policy or policies of insurance required by Section 3.2.10.2(B) Automobile Liability, and Section 3.2.8.2(D) Professional Liability, shall be endorsed to provide the following:

(1) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the Town except ten (10) days shall be allowed for non-payment of premium.
FY18-19 MLT and Town Agreement

(C) The policy or policies of insurance required by Section 3.2.8.2(C), Workers' Compensation, shall be endorsed to provide the following:

(1) Waiver of Subrogation: A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

(2) Cancellation: Required insurance policies shall not be canceled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon the Town except ten (10) days shall be allowed for non-payment of premium.

3.2.8.4 Primary and Non-Contributing Insurance. All insurance coverages shall be primary and any other insurance, deductible, or self-insurance maintained by the indemnified parties shall not contribute with this primary insurance. Policies shall contain or be endorsed to contain such provisions.

3.2.8.5 Waiver of Subrogation. Required insurance coverages shall not prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor shall waive all subrogation rights against the indemnified parties. Policies shall contain or be endorsed to contain such provisions.

3.2.8.6 Deductible. Any deductible or self-insured retention must be approved in writing by the Town and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention.

3.2.8.7 Evidence of Insurance. Contractor, concurrently with the execution of the Agreement, and as a condition precedent to the effectiveness thereof, shall deliver either certified copies of the required policies, or original certificates and endorsements on forms approved by the Town. The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15) days prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with the Town. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with the Town evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

3.2.8.8 Failure to Maintain Coverage. Contractor agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to the Town. The Town shall have the right to withhold any payment due Contractor until Contractor has fully complied with the insurance provisions of this Agreement. In the event that the Contractor's operations are suspended for failure to maintain required insurance coverage, the Contractor shall not be entitled to an extension of time for completion of the Services because of production lost during suspension.
3.2.8.9 Acceptability of Insurers. Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

3.2.8.10 Insurance for Subcontractors. All subcontractors shall be included as additional insureds under the Contractor's policies, or the Contractor shall be responsible for causing subcontractors to purchase the appropriate insurance in compliance with the terms of these Insurance Requirements, including adding the Town as an Additional Insured to the subcontractor's policies. Contractor shall provide to Town satisfactory evidence as required under Section 3.2.8.1 of this Agreement.

3.2.9 Safety. Contractor shall execute and maintain its work so as to avoid injury or damage to any person or property. In carrying out its Services, the Contractor shall at all times be in compliance with all applicable local, state and federal laws, rules and regulations, and shall exercise all necessary precautions for the safety of employees appropriate to the nature of the work and the conditions under which the work is to be performed.

3.3 Fees and Payments.

3.3.1 Compensation. The Town will provide to Contractor under the terms and conditions set forth herein, in the first month of each fiscal quarter, Town will pay to MLT a prorated amount for the quarter based on the Town’s adopted annual budget. The amount paid will be based on the calculation of 2.35 percentage points of the base 13% Transient Occupancy Tax (TOT) revenue approved in the Town’s adopted annual budget. The adopted base operating revenue from TOT will serve as a minimum amount for the calculation of a guaranteed payment to MLT. Compensation is further addressed in Exhibit “B” hereto. In the event this agreement is extended, Exhibit “B” will be updated each fiscal year to reflect the Town’s adopted budget for MLT funding.

3.3.2 Reserved.

3.3.3 Reimbursement for Expenses. The compensation provided for in this Agreement constitutes the total compensation to be provided to Contractor. Contractor shall not be granted additional reimbursement for any expenses.

3.3.4 Extra Work. At any time during the term of this Agreement, Town may request that Contractor perform Extra Work as agreed upon between the parties in exchange for additional compensation to be agreed upon between the parties. As used herein, "Extra Work" means any work which is determined by Town to be necessary for the proper completion of the agreed upon task, service or project, but which the Parties did not reasonably anticipate would be necessary at the execution of this Agreement. Contractor shall not perform, nor be compensated for, Extra Work without written authorization from the Town.
3.4 Accounting Records.

3.4.1 Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of Town during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

3.5 General Provisions.

3.5.1 Termination of Agreement.

3.5.1.1 Grounds for Termination. Town may by written notice to Contractor, terminate the whole or any part of this Agreement at any time and without cause by giving written notice to Contractor of such termination, and specifying the effective date thereof, at least sixty (60) days before the effective date of such termination. Upon termination, Contractor shall be compensated only for those services which have been adequately rendered to Town, and Contractor shall be entitled to no further compensation. Contractor may not terminate this Agreement except for cause, which shall consist solely of a breach by Town that remains uncured following sixty (60) days notice from Contractor to Town specifying the nature of the alleged breach. Contracts entered into by Contractor which are supported by funds provided under this Agreement, which are consistent with the purposes of this Agreement, and for which the project or service was approved through the a public process approved by Contractor’s Board of Directors and for which funds were allocated shall continue to be funded by the Town to the extent possible, subject to the availability of funding and ability for the Town to assume the contractual obligations, through what would otherwise have been the expiration date of this Agreement if this Agreement is terminated without cause.

3.5.1.2 Effect of Termination. If this Agreement is terminated as provided herein, Town may require Contractor to provide all finished or unfinished Documents and Data and other information of any kind prepared by Contractor in connection with the performance of Services under this Agreement. Contractor shall be required to provide such document and other information within fifteen (15) days of the request.

3.5.1.3 Replacement Services. In the event this Agreement is terminated in whole or in part as provided herein, Town may procure, upon such terms and in such manner as it may determine appropriate, services similar to those terminated.

3.5.2 Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose:

Contractor: Mammoth Lakes Tourism
2520 Main Street
Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

3.5.3 Ownership of Materials and Confidentiality.

3.5.3.1 Documents & Data; Licensing of Intellectual Property. This Agreement creates a non-exclusive and perpetual license for Town to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by Contractor under this Agreement (“Documents & Data”). Contractor shall require all subcontractors to agree in writing that Town is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. Contractor represents and warrants that Contractor has the legal right to license any and all Documents & Data. Contractor makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals other than Contractor or provided to Contractor by the Town. Town shall not be limited in any way in its use of the Documents & Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at Town's sole risk.

3.5.3.2 Confidentiality. All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information, and other Documents & Data either created by or provided to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor. Such materials shall not, without the prior written consent of Town, be used by Contractor for any purposes other than the performance of the Services. Nor shall such materials be disclosed to any person or entity not connected with the performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or is generally known, or has become known, to the related industry shall be deemed confidential.

3.5.3.3 Confidential Information. The Town shall refrain from releasing Contractor’s proprietary information ("Proprietary Information") unless the Town's legal counsel determines that the release of the Proprietary Information is required by the California Public Records Act or other applicable state or federal law, or order of a court of competent jurisdiction, in which case the Town shall notify Contractor of its intention to release Proprietary Information.
Contractor shall have five (5) working days after receipt of the Release Notice to give Town written notice of Contractor's objection to the Town's release of Proprietary Information. Contractor shall indemnify, defend and hold harmless the Town, and its officers, directors, employees and agents from and against all liability, loss, cost or expense (including attorney’s fees) arising out of a legal action brought to compel the release of Proprietary Information. Town shall not release the Proprietary Information after receipt of the Objection Notice unless either: (1) Contractor fails to fully indemnify, defend (with Town's choice of legal counsel), and hold Town harmless from any legal action brought to compel such release; and/or (2) a final and non-appealable order by a court of competent jurisdiction requires that Town release such information.

3.5.4 Brown Act, Public Records Act, Conflict of Interest and Harassment Training and Compliance. At all times during the term of this Agreement Contractor’s board of directors shall comply fully with the Ralph M. Brown Act, Government Code Section 54950 et seq. Contractor’s obligation hereunder shall not be limited to complying with the Brown Act with respect to the Services, but rather such obligations shall apply to all activities of Contractor and/or its board during the term of this Agreement. Contractor shall comply with the California Public Records Act (PRA) (Government Code Section 6250 et seq). Contractor shall comply with the provisions of the Political Reform Act and the related regulations adopted by California Fair Political Practices Commission, including without limitation the provisions and regulations concerning conflicts of interest. Contractor staff and board shall attend similar harassment and ethics training as required of elected officials at least every two years and within six months of taking on their respective position. MLT shall notify the Town Clerk of any Board vacancy and the name(s) of all new Board members. The Town, with costs funded from the Tourism Reserve as provided for in Exhibit B will provide clerking support services to include preparation of agendas, clerking meetings, preparing minutes and coordination of compliance with the above laws and similar support for standing committees that are subject to the Brown Act. All of Contractor’s public meetings shall be held in the Town Council Chambers and broadcast though the Granicus system, which may include cable TV government channel broadcasting, unless there is a conflict for meeting space and meetings cannot be rescheduled.

3.5.5 Reserved

3.5.6 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate or convenient to attain the purposes of this Agreement.

3.5.7 Attorney's Fees. If either party commences an action against the other party, either legal, administrative or otherwise, arising out of or in connection with this Agreement, the prevailing party in such litigation shall be entitled to have and recover from the losing party reasonable attorney's fees and all other costs of such action.

3.5.8 Indemnification.

3.5.8.1 Scope of Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify and hold the Town, its directors, officials, officers, employees, volunteers and agents free and harmless from any and all claims, demands, causes of action, costs,
expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any alleged acts, errors or omissions, or willful misconduct of Contractor, its officials, officers, employees, subcontractors, Contractors or agents in connection with the performance of the Contractor's Services or this Agreement, including without limitation the payment of all consequential damages, expert witness fees and attorneys fees and other related costs and expenses.

3.5.8.2 Additional Indemnity Obligations. Contractor shall defend, with counsel of Town’s choosing and at Contractor's own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section 3.5.8.1 that may be brought or instituted against Town or its directors, officials, officers, employees, volunteers and agents. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against Town or its directors, officials, officers, employees, volunteers and agents as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse Town for the cost of any settlement paid by Town or its directors, officials, officers, employees, agents or volunteers as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for Town's attorney's fees and costs, including expert witness fees. Contractor shall reimburse Town and its directors, officials, officers, employees, agents, and/or volunteers, for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Contractor's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by the Town, its directors, officials officers, employees, agents, or volunteers.

3.5.9 Entire Agreement. This Agreement contains the entire Agreement of the parties with respect to the subject matter hereof, and supersedes all prior negotiations, understandings or agreements. This Agreement may only be modified by a writing signed by both parties.

3.5.10 Governing Law. This Agreement shall be governed by the laws of the State of California. Venue shall be in Mono County.

3.5.11 Time of Essence. Time is of the essence for each and every provision of this Agreement.

3.5.12 Town's Right to Employ Other Contractors. Town reserves the right to employ other Contractors.

3.5.13 Successors and Assigns. This Agreement shall be binding on the successors and assigns of the parties.

3.5.14 Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the Town. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.
3.5.15 Construction; References; Captions. Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not work days. All references to Contractor include all personnel, employees, agents, and subcontractors of Contractor, except as otherwise specified in this Agreement. All references to Town include its elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5.16 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

3.5.17 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

3.5.18 No Third-Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.5.19 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.5.20 Prohibited Interests. Contractor maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Contractor, to solicit or secure this Agreement. Further, Contractor warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Contractor, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, Town shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer or employee of Town, during the term of his or her service with Town, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

3.5.21 Equal Opportunity Employment. Contractor represents that it is an equal opportunity employer and it shall not discriminate against any subcontractor, employee or applicant for employment because of race, religion, color, national origin, handicap, ancestry, sex or age. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination. Contractor shall also comply with all relevant provisions of Town's Minority Business Enterprise program, Affirmative Action Plan or other related programs or guidelines currently in effect or hereinafter enacted.
3.5.22 Labor Certification. By its signature hereunder, Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the Services.

3.5.23 Authority to Enter Agreement. Contractor has all requisite power and authority to conduct its business and to execute, deliver, and perform the Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and bind each respective Party.

3.5.24 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.

3.6 Subcontracting.

3.6.1 To the extent that Contractor subcontracts any portion of the work required by this Agreement, each such subcontract shall contain a provision making it subject to all provisions stipulated in this Agreement.

TOWN OF MAMMOTH LAKES Mammoth Lakes Tourism

By: ____________________________ By: ____________________________
  Daniel C. Holler                John Urdi, Executive Director
  Town Manager

Attest: ____________________________
      Scott McGuire, President

By: ____________________________
  Jamie Gray, Town Clerk

Approved as to Form:

By: ____________________________
  Andrew Morris, Town Attorney
EXHIBIT "A"

FY 18-19 SCOPE OF SERVICES AND DELIVERABLES

**Deliverables**
In the event that this Agreement is extended, specific deliverables will be updated each fiscal year as developed between the MLT and Town representatives by mutual agreement of the parties. MLT will make an annual presentation on upcoming work program, goals, objectives, draft budget, previous expenditures and accomplishments in May of each year. The Town and MLT agree that the following deliverables will be updated following the completion of the Town’s and MLT’s Strategic Planning Processes.

1. The FY 18-19 Marketing Plan prepared by MLT and consultants will be used as the guide to the marketing, advertising, public relations, community outreach, and outlined strategies as the overall guide for deliverables. The Marketing Plan to be used was presented to the Town Council and MLT Board at a joint workshop on October 17, 2018.

2. MLT in partnership with the Town, Chamber of Commerce, and community will complete a “Destination Management Plan.” The work will include a public process to develop long-term strategies and priorities for at least a five-year outlook. Efforts may include Mono County and Eastern Sierra Region, if provided additional funding, which may include other agency grant funds.

3. MLT will coordinate with Mammoth Resorts and the Town on expanded air service and connectivity.

4. Support banner program with new material (Banners/Creative) and coordinate with the Town for placement.

5. Work with Mammoth Lakes Recreation (MLR), Chamber of Commerce, Town and other partners on means to enhance guest experience in the use of public lands.

6. Continue to support the Town’s fish stocking program with matching funds up to $50,000 on a $1 to $1 match with the Town.

7. Implement transition from the Town to MLT of local event support, funding, expansion and coordination of local special events. Funding allocated directly to special events beyond FY18-19 may be provided from the Tourism Reserve, based on available funds.
8. Continued management of Tourism Business Improvement District.

9. Assist Mammoth Lakes Chamber of Commerce in the development of Chamber focused roles and functions such as business promotion and advocacy; membership, and community events. Continue providing funding to the Chamber to support the Chamber’s current staffing levels (2.25 full-time employees) and base programs. Expanded services and programs are to be funded from memberships, fundraising, and other sources.

10. Coordinate with the Chamber Board on goals, objectives and priorities for the year. Support Chamber events such as the July 4th parade, customer service training, and business specific training in marketing and related skills.
EXHIBIT “B”

COMPENSATION

Section 1: Payments and Financial Accounting and Reporting

(a) Funding Amount for FY 2018-19: For FY2018-19 the budgeted amount of TOT revenue is $13.5 million, which includes a base amount of $12.5 million and additional one-time funding of $1 million. Contractor shall receive not less than 2.35 percentage points of the 13% TOT, based upon a budgeted estimate of $12.5 million in TOT revenue. In other words, Contractor shall receive 18.076923% of the first $12.5 million in TOT revenue received by Town in FY2018-2019. Notwithstanding this calculation, and except as provided below, Town shall make quarterly payments to Contractor for FY18-19 as provided below, which reflects 18.076923% of $13.5 million in TOT revenue rather than $12.5 million. In the event that Town receives less than $13.5 million in TOT revenue for FY18-19, Town shall either reduce the final payment or Contractor shall reimburse Town, in an amount equal to 18.076923% of the difference between $13.5 million and Town’s actual TOT revenue. If this Agreement is terminated prior to the end of a quarter for which payment has been made, Contractor shall refund to Town a prorated amount for the remainder of the quarter, in accordance with the termination provisions of the agreement.

<table>
<thead>
<tr>
<th>Date</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/20/18</td>
<td>$561,500</td>
</tr>
<tr>
<td>10/19/18</td>
<td>$496,700</td>
</tr>
<tr>
<td>01/18/19</td>
<td>$988,000</td>
</tr>
<tr>
<td>04/19/19</td>
<td>$394,185</td>
</tr>
<tr>
<td></td>
<td>$2,440,385</td>
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</table>

The Town has established a Town-held “Tourism Reserve” to account for TOT revenues received in addition to the amount provided herein, consisting of 18.076923% of such additional revenues. MLT may request the use of this reserve fund, but Town shall not be required to grant any such request. Prior to the expenditure of any portion of this reserve by the Town, the Town Council will consult with MLT on the Town use of this reserve. The use of this reserve requires Council approval via adoption of a resolution, appropriation of the funds and a budget amendment. The Tourism Reserve may be used to: (i) fund extra work agreed to by the parties to include, but not limited to expanded visitor experiences, special events, capital investment (i.e. signage and wayfinding), expanded promotion/marketing special projects (i.e. L.A. Kings Promotion) or similar projects; or (ii) as otherwise approved by the Town Council. The Tourism Reserve is not to be used to supplant required services provided for in the agreement.

(b) In the event that this Agreement is extended, MLT may carry over not more than 15% of the payments received from Town in one fiscal year to the next fiscal year to assist in meeting cash
flow needs of MLT. A carryover of any amount in excess of 15% from one fiscal year to the next requires Town approval prior to August 31st and requires the specific use of such funds to be defined and made a part of the deliverables provided for in this Agreement. To the extent MLT performs an unapproved carryover of funds, Town shall retain funds that would otherwise be due to MLT in the following fiscal year, in an amount equal to the unapproved carryover. Any such funds retained by the Town shall be used for tourism related purposes as determined in the Town’s sole discretion. MLT will provide a proposed budget to the Town in May of each fiscal year. In addition to withholding funds as a result of an unapproved carryover, the Town may at its sole discretion reduce funding in future years if uncommitted reserves exceed 25% of the payments made by Town to MLT in any fiscal year.

(c) By January 30th of each year, MLT will provide to the Town an accounting, plus a copy of any audit, of expenditures showing the use of Town provided funding for the previous fiscal year, July 1 to June 30.

(d) Funds received from non-Town sources shall be identified and accounted for separately. Separation of sources and uses of funds is necessary to provide accounting of the use of restricted funds in compliance with any restrictions placed on funding.

Section 2: The Town may in its sole discretion provide additional funding to MLT in amounts approved by a resolution of the Town Council. The resolution will set forth the purpose of the funding, the source, any restrictions, and other matters relating thereto.

Section 3. In the event MLT ceases to operate or exist, all unexpended Town funds held by MLT shall be returned to the Town.
<table>
<thead>
<tr>
<th></th>
<th>Jan</th>
<th>Feb</th>
<th>Mar</th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sep</th>
<th>Oct</th>
<th>Nov</th>
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<tr>
<td>FY 2018-19 BUDGETED monthly revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Quarter Total:</td>
<td>2,378,900</td>
<td>2,781,000</td>
<td></td>
<td>5,359,000</td>
<td>2,202,000</td>
<td>3,550,000</td>
<td>1,750,752</td>
<td>355,164</td>
<td>590,510</td>
<td>627,105</td>
<td>581,746</td>
<td>2,615,353</td>
<td>3,550,071</td>
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<td>FY 2018-19 ACTUAL collection</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-1,872,467</td>
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<td>FY 18-19 Differences: Budget vs Actuals YTD</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Nov</td>
<td>Dec</td>
<td></td>
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<tr>
<td>590,795</td>
<td>-185,164</td>
<td>-296,518</td>
<td>-166,776</td>
<td>133,374</td>
<td>715,355</td>
<td>958,074</td>
<td>(1,393,030)</td>
<td>(1,439,030)</td>
<td>(305,050)</td>
<td>(377,050)</td>
<td>(793,050)</td>
<td>(9,467,385)</td>
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<td>Percent over/(under) budget</td>
<td>50%</td>
<td>41%</td>
<td>34%</td>
<td>46%</td>
<td>29%</td>
<td>38%</td>
<td>46%</td>
<td>-100%</td>
<td>-100%</td>
<td>-100%</td>
<td>-100%</td>
<td>-100%</td>
<td>-100%</td>
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Cumulative difference to date: 3,283,411

Cumulative actual to last year actual difference to date: 608,232
### Estimated TBD Revenue Fiscal 2018-19

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<tr>
<th>Month</th>
<th>Actual 2017-18</th>
<th>Forecast 2018-19</th>
<th>Proj. to Actual 2018-19</th>
<th>% Difference YOY</th>
<th>% Difference YOY</th>
<th>% Difference YOY</th>
<th>Cumulative Diff. YOY</th>
<th>Cumulative % Difference YOY</th>
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<tbody>
<tr>
<td>July</td>
<td>577,165.91</td>
<td>76,417.98</td>
<td>(80,000.00)</td>
<td>-13.69%</td>
<td>10.40%</td>
<td>-13.69%</td>
<td>(4,384,615.38)</td>
<td>$12,966,000.00</td>
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<tr>
<td>August</td>
<td>67,416.27</td>
<td>106,135.18</td>
<td>(39,718.91)</td>
<td>-58.99%</td>
<td>54.94%</td>
<td>-58.99%</td>
<td>(141,444.61)</td>
<td>$11,824,560.37</td>
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<td>September</td>
<td>4,384,615.38</td>
<td>4,348,000.00</td>
<td>(36,615.38)</td>
<td>-0.83%</td>
<td>0.00%</td>
<td>-0.83%</td>
<td>(1,023.72)</td>
<td>$768,730.60</td>
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<td>October</td>
<td>998,000.00</td>
<td>310,415.06</td>
<td>(687,584.94)</td>
<td>-68.83%</td>
<td>-100%</td>
<td>-68.83%</td>
<td>(1,372,426.13)</td>
<td>$1,630,980.80</td>
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<tr>
<td>November</td>
<td>1,268,000.00</td>
<td>1,190,903.00</td>
<td>(77,097.00)</td>
<td>-6.10%</td>
<td>-21.59%</td>
<td>-6.10%</td>
<td>(1,015,873.04)</td>
<td>$2,646,853.86</td>
</tr>
<tr>
<td>December</td>
<td>67,053.71</td>
<td>45,000.00</td>
<td>(22,053.71)</td>
<td>-33.05%</td>
<td>-140.41%</td>
<td>-33.05%</td>
<td>(1,552,426.13)</td>
<td>$3,972,537.87</td>
</tr>
</tbody>
</table>

**Total**   | 4,384,615.38   | 4,208,000.00     | (176,615.38)            | -4.07%           | -29.29%          | -4.07%           | (3,066,529.87)       | $6,970,711.43              |

**Cumulative**  | 4,384,615.38   | 4,208,000.00     | (176,615.38)            | -4.07%           | -29.29%          | -4.07%           | (3,066,529.87)       | $6,970,711.43              |