

CONVENTION AND VISITORS BUREAU AGREEMENT

THE CONVENTION AND VISITORS BUREAU AGREEMENT, (the "Agreement") is made by and between the City of Apple Valley, a Minnesota municipal corporation (the "City") and the Apple Valley Chamber of Commerce, a Minnesota non-profit corporation (the "Chamber") and jointly referred to as the "Parties".

WHEREAS, under the authority of Minn. Stat. §469.190, the City by ordinance imposed a local lodging tax to fund a local convention and visitors bureau for the purpose of marketing the City as a tourist center; and

WHEREAS, the Chamber has established and will maintain a convention and visitors bureau (the "CVB") for the purposes of marketing the City; and

WHEREAS, accepting the services of the CVB to promote the City as a tourist center is desirable and required in order to efficiently and effectively promote the City's tourism business; and

WHEREAS, the CVB is capable of handling all monies funded by the City for the purposes of marketing the City as a tourist center; and

WHEREAS, to provide for the marketing of the City as a tourist center, it is in the best interest of the City and the Chamber to enter into this Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, the Parties hereto agree as follows:

1. **Convention and Visitors Bureau Created.** The Chamber agrees to maintain a Bureau, to be known as the Apple Valley Convention and Visitors Bureau, which Bureau shall be a division of the Chamber. The CVB shall consist of seven (7) members. The CVB shall include two (2) members appointed by the Apple Valley City Council; the remaining members, all of whom shall live or work in the City of Apple Valley, shall be appointed by the Chamber.
2. **Services Rendered by Bureau.** The CVB shall develop and administer programs to advance the economic impact of tourism in the City through planning efforts to improve the tourism product/ service mix in Apple Valley and by attracting visitors, meetings, trade shows and other like events. The CVB shall develop and administer such programs in accordance with the CVB's annual marketing plan.
3. **Information/Charges.** All services provided pursuant to Paragraph 2 of this Agreement shall be without charge to any person or organization using such services except those charges necessary to cover out of pocket expenses and the cost of administration as the CVB deems necessary.

4. **Funding.** The City shall remit to the Chamber ninety-five percent (95%) of the City's gross proceeds from the lodging tax imposed under the City's ordinance, however, the total amount of the proceeds remitted to the Chamber shall not exceed \$100,000.00. Such funds paid by the City shall be used by the CVB exclusively for the purpose of funding the CVB's services under this Agreement.
5. **Budget Approval.** The Chamber shall submit to the City an Annual Operating Budget (the "Budget") for the CVB for approval by the Apple Valley City Council on or before December 31 of each previous year. Such Budget shall detail with specificity the uses to which the funds shall be spent to provide the services required hereunder. No modification in such Budget shall be made in excess of ten percent (10%) without prior approval of the Apple Valley City Council. The CVB shall have no deficit financing. Funds may be carried into the next year however when appropriate.
6. **Verification of Expenditures.** The Chamber shall submit to the City, a copy of the CVB's monthly checking (and any other banking) statements and an annual financial statement, verified by the President of the Chamber. The City shall have the right of access to the books and records of the CVB, at any time during normal business hours, to audit any item of revenue or expenditure. The Chamber shall provide for at least two signatures being needed to draw on the checking account and any other banking account holding the funds of the CVB.
7. **Indemnification.** The Chamber agrees to indemnify, defend and hold the City harmless for any claims, demands, actions or causes of action arising out of any act or omission on the part of the Chamber, its agents, servants or employees in the performance of or with the relation to any of the work or services performed or furnished by the Chamber or the CVB under this Agreement.
8. **Insurance.**
 - A. **General Insurance Requirements.** The Chamber shall not commence any work or services under this Agreement until it has obtained all insurance required under this provision and shall have filed a Certificate of Insurance or certified copy of the insurance policy with the City. Each insurance policy required hereunder shall contain a clause providing that it shall not be canceled, reduced in coverage or lapsed by the insurance company without thirty (30) days' written notice to the City of its intent to cancel or effect a reduction of coverage or non renewal.
 - B. **Liability Insurance.** The Chamber shall procure and maintain during the term of this Agreement general personal injury liability and property damage insurance with a minimum coverage limit of \$500,000.00 per occurrence which shall protect it, the CVB and the City from claims for damages for personal injury, including accidental deaths, which may arise from the work or services furnished under this Agreement, whether such

work or services be by the Chamber or by anyone directly or indirectly employed by the Chamber. The Chamber shall procure and maintain during the term of this Agreement, liability and property damage insurance for the CVB's directors.

- C. **Workers Compensation and Employer's Liability Insurance.** The Chamber shall secure and maintain during the term of this Agreement, Worker's Compensation and Employers' Liability Insurance as required by law for its employees engaged directly or indirectly in the work and services under this Agreement. The Chamber shall also maintain insurance required under any other employee benefit acts in force and required by law. The City shall be named as an additional insured.

9. **Alteration or Modification of Agreement.**

- A. Any alteration, variation, modification or waiver of any provision of this Agreement shall be valid only after it has been reduced to writing and duly signed by both Parties.
- B. This Agreement shall constitute the entire Agreement between the Parties and supercedes all prior oral or written negotiations relating to the subject matter hereof.

- 10. **Term of Agreement.** The Agreement shall be dissolved automatically on December 31, 2016 subject to reconfirmation by the City and the Chamber. Either party may withdraw from this agreement with at least 60 days notice subject to take effect on December 31st of said year during the duration of this agreement.

- 11. **Waiver of Breach.** The waiver by either party or any breach of this Agreement by the other party shall not operate or be construed as a waiver of any other breach.

- 12. **Assignment.** The Chamber shall not assign, transfer, encumber, hypothecate, or otherwise dispose of any of its right, title or interest in, or to, or under this Agreement without the prior written consent of the City, and any purported such assignment, transfer, encumbrance, hypothecation or disposition without such consent shall be prohibited and void.

- 13. **Notices.** Any notice required or permitted under this Agreement shall be in writing and shall be deemed to be given when and if sent by certified mail, return receipt requested, postage prepaid, properly addressed as follows, or such other address as may hereafter be designated in writing by either of the Parties:

IF TO THE CITY: CITY OF APPLE VALLEY
7100 West 147th Street
Apple Valley, Minnesota 55124

IF TO THE CHAMBER: APPLE VALLEY CHAMBER OF COMMERCE
14880 Galaxie Avenue, Suite 101
Apple Valley, Minnesota 55124

14. **Severability.** The provisions of this Agreement are not intended to be severable, and the invalidity or unenforceability of any said provisions, or any portion thereof, shall not render the remaining provisions of this Agreement inapplicable or unenforceable.
15. **Law Governing.** This Agreement shall be governed by and interpreted under the laws of the State of Minnesota.
16. **Headings.** All headings preceding the paragraphs herein are for the purpose of identification only and may not be used for the purposes of construing any provisions contained herein.
17. **Singular-Plural.** Wherever necessary or proper herein, the singular imports the plural and vice versa, and masculine, feminine and neuter expression shall be interchangeable.
18. **Counterparts.** This Agreement may be executed in one or more counterparts, all of which shall be deemed one and the same original instrument.

Passed and duly adopted this _____ day of _____, 2016 by the City Council of the City of Apple Valley.

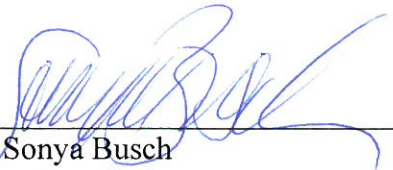
CITY OF APPLE VALLEY

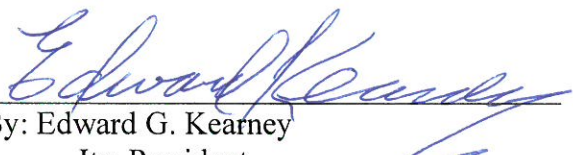
By: Mary Hamann-Roland
Its: Mayor

By: Pamela J. Gackstetter
Its: City Clerk

Passed and duly adopted this 11th day of February, 2016 by the Board of Directors of the Apple Valley Chamber of Commerce.

APPLE VALLEY CHAMBER OF
COMMERCE



By: Sonya Busch
Its: Chair

By: Edward G. Kearney
Its: President