



P O Box 5459 ~ Tahoe City, CA 96145 ~ Ph 530-581-8700 ~ Fx 530-581-8762

AGENDA AND MEETING NOTICE
MARKETING COMMITTEE
Tuesday, February 24, 2009 – 12:00 p.m. – 1:00 p.m.
NORTH TAHOE EVENTS CENTER

NLTRA Mission

"to promote tourism and business through efforts that enhance the economic, environmental, recreational and cultural climate of the area."

NLTRA Tourism Division Mission

"to promote North Lake Tahoe as a travel destination with the purpose of increasing travel spending within the region, including year-round occupancy and length of stay, generating Transient Occupancy Tax (TOT) revenues, sales tax revenues, and maximizing the exposure and promotion of North Lake Tahoe on a regional, national and international level."

Meeting Ground Rules

- Be Prepared
- Engage in Active Listening
- Be Respectful of Others
- No Surprises
- It is OK to Disagree
- Acknowledge Comments, but Do Not Repeat Comments

**Marketing
Committee
Members**

NLTRA Board:

Deb Darby-Dudley,
Chair
Alex Mourelatos
Ron Parson
Dan Tester

Committee
Members:

Deanna Gescheider
Steven Holt
Christine Horvath
Julie Maurer
John Monson
Les Pedersen
Nick Pullen
Brett Williams

Placer County Rep:
Jennifer Merchant

Quorum

2 Board Members
1 Lay Member

ITEMS MAY NOT BE HEARD IN THE ORDER THEY ARE LISTED

- A. Call to Order – Establish Quorum
- B. Public Forum: Any person wishing to address the Marketing Committee on items of interest to the Committee not listed on the agenda may do so at this time. It is requested that comments be limited to three minutes since no action may be taken by the Committee on items addressed under Public Forum. (3 min)
- C. Agenda Amendments and Approval (2 min)
- D. Approval of Marketing Meeting Minutes – January 29th, 2009 (3 min)
- E. Discussion and Possible Action to Recommend for Board Approval the North Lake Tahoe Marketing Cooperative Renewal Agreement (20-25 minutes)
- F. Presentation and Committee Update on Marketing Decision Making Tool (20-25 minutes)
- G. Committee Member Comments (5 minutes)

Posted and Emailed February 19, 2009



PO Box 5459 - Tahoe City, CA 96145 Ph – (530) 581-8700 Fx –(530) 581-8762

**MARKETING COMMITTEE MEETING MINUTES
January 29, 2009 – 1:00 p.m.**

Tahoe City Public Utility District

PRELIMINARY MINUTES

COMMITTEE MEMBERS IN ATTENDANCE: Ron Parson, Dan Tester, Deanna Gescheider, Steven Holt, John Monson, Nick Pullen, Brett Williams, Les Pedersen (1:19 p.m.), Julie Maurer (2:05 p.m.), Christine Horvath (2:10 p.m.) and Deb Darby-Dudley (2:22 p.m.)

NLTRA STAFF IN ATTENDANCE: Andy Chapman, Jason Neary, Judy Laverty, Steve Teshara and Whitney Parks

OTHERS IN ATTENDANCE: Pettit Gilwee, Wendy Hummer, Cathy Davis, Jennifer Martinez, Justin Broglio and Molly Fathman (1:13 p.m.), Lolly Kupec (1:50 p.m.), Niobe Burden (1:45) and Linda Williams (1:55 p.m.)

1.0 CALL TO ORDER – ESTABLISH QUORUM

- 1.1 The meeting was called to order by Dan Tester at 1:05 p.m. and a quorum was established.

2.0 PUBLIC FORUM

- 2.1 Andy Chapman reported that he recently attended the California Travel and Tourism Commission meeting and International Summit in San Francisco. He encouraged everyone to go to www.tourism.visitcalifornia.com to find international planning documents and budgets for the state.

3.0 WELCOME AND INTRODUCTIONS OF COMMITTEE MEMBERS

- 3.1 The members of the Committee introduced themselves to one another. Members of the audience were also asked to introduce themselves.

4.0 AGENDA AMENDMENTS AND APPROVAL

- 4.1 **M/S/C (Parson/Gescheider) (7/0) to approve the Marketing Committee agenda as presented.**

5.0 APPROVAL OF MARKETING MEETING MINUTES

- 5.1 **M/S/C (Parson/Tester) (7/0) to approve the Marketing Committee meeting minutes of January 6, 2009 as presented.**

6.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE THE 2009 MARKETING COMMITTEE CHAIR

- 6.1 Andy Chapman thanked Dan Tester for his work as Committee Chair for the 2008 Marketing Committee. Dan Tester nominated Deb Dudley to serve as the 2009 Committee Chair.
- 6.2 **M/S/C (Tester/Gescheider) (7/0) to approve the nomination of Deb Dudley and approve her as Committee Chair for the 2009 Marketing Committee.**

7.0 DISCUSSION AND POSSIBLE ACTION TO APPROVE NORTH LAKE TAHOE RESORT ASSOCIATION'S MARKETING COOPERATIVE COMMITTEE MEMBERS

- 7.1 Andy Chapman provided background information on the North Lake Tahoe Marketing Cooperative. The Cooperative was formed in October 2006 between the North Lake Tahoe Resort Association Board of Directors and the Incline Village Crystal Bay Visitors Bureau (IVCBVB) Board of Directors in order to market North Lake Tahoe with a single message and single call to action. Consistent with the approved Cooperative Participant Agreement, four members from each organization sit on the Cooperative Marketing Committee (CMC): the executive director from each organization, along with two Board members and one lay member from each organization. For the last year, NLTRA CEO Steve Teshara, Board members Dan Tester and Debbie Casey, and lay member Julie Maurer served on the Marketing Cooperative Committee as representatives for the North Lake Tahoe Resort Association. This Marketing Committee will give recommendations and direction to the members of the Marketing Coop Committee moving forward.
- 7.2 Dan Tester expressed an interest to continue to serve on the Committee. He noted that Board member Alex Mourelatos and lay member Julie Maurer have also expressed interest to serve on the Co-op Committee.
- 7.3 **M/S/C (Parson/Monson) (7/0) to approve the slate of Tester, Mourelatos, Maurer and Teshara to serve on the North Lake Tahoe Marketing Cooperative Committee for 2009.**

8.0 DISCUSSION AND DIRECTION TO STAFF ON NORTH LAKE TAHOE MARKETING COOPERATIVE RENEWAL AGREEMENT

- 8.1 Andy Chapman noted that we are coming to the end of the initial three year term of the Marketing Cooperative agreement with the Incline Village Crystal Bay Visitors Bureau (IVCBVB). As part of the process for considering an extension of the agreement, a subcommittee of the Cooperative Marketing Committee met recently to review the existing agreement and recommend updates and changes as appropriate. Andy reviewed the changes as recommended by the CMC committee; the proposed changes were included in the Marketing Committee packet for this meeting. These changes are to be considered by this Committee, with a recommendation to the NLTRA Board. They will also be considered by the IVCBVB Board.
- 8.2 Steve Teshara discussed the importance of the Marketing Cooperative agreement and the Cooperative as a marketing partnership. He reported that the Co-op essentially doubled the amount of marketing dollars focused on North Lake Tahoe. He noted that this agreement was put together with legal assistance from attorneys representing the North Lake Tahoe Resort Association and the Incline Village Crystal Bay Visitors Bureau. He said that this is one of the most significant agreements that have occurred during his tenure as executive director of the NLTRA. The Board and Marketing Committee at the time this agreement was created spent much time deliberating, and the document has

now been in place for nearly three years. He discussed the twelve month process that would ensue if a decision is made to not renew the cooperative. Dan Tester noted that the Co-op has been one of the best things we have done as an organization, and many involved would like the Marketing Cooperative to continue. Andy reported that this item will return to this Committee at the February 24th meeting for further committee review and discussion, and consideration of a recommendation to the NLTRA Board of Directors.

- 8.3 Andy discussed the North Lake Tahoe Marketing Co-op contribution schedule and ROI components. He noted that before the Co-op in 2006, NLTRA spent about \$787,000 on marketing programs; currently, we spent about 1.2 million on these programs. We have also been able to focus more money into Conference Sales, Leisure Sales and Public Relations, although the majority of the money has been driven into direct consumer advertising. He reported that in December 2006, the number of unique visitors to the web site was 24,000 and in December 2008, there were 53,000 unique visits. This represents an increase of 122%. He discussed search engine optimization. In 2006, the web site was #1 on 6 top search engine sites; currently, the site is #1 on 10. In 2006, we had 23 first page positions; currently we have 33. Andy asked the Committee if they would like to see any other examples of ROI at the February 24th meeting. Brett Williams asked what brand the IVCBVB used in 2006 and how they felt about the consolidation of the brand. Steve noted that the IVCBVB was previously using the brand "Golden Shores". Both the NLTRA and IVCBVB agree that the Pure Experiences brand and campaign is solid and should move forward. There was discussion regarding the brand awareness study and consumer focus groups that took place last year. Andy noted that the brand awareness study found that the brand was resonating very well with the consumer. He said the "N is for North" tagline was modified to "North Lake Tahoe". Cathy Davis reported that the "N" logo was well received. She noted that the brand is very image-oriented which also resonates well with the viewer. Andy reported that www.nltra.org now contains a marketing page with information regarding marketing efforts, as well as information on the brand awareness study and focus groups. Les Pedersen asked about the contribution schedule and if each party felt that received and spent equitable amounts in the Co-op. He also asked if this parity was expected to continue due to the current economic climate. Andy noted our budget is set up differently from the IVCBVB. Our budget is set up in advance with Placer County. Incline receives budget money as the year advances. Andy said currently the NLTRA puts 45% of its marketing budget into the Co-op. He urged that this level of commitment be maintained, noting IVCBVB representatives want to maintain their same commitment. He noted there are different ways to look at equity such as number of rooms, dollar per room, etc.
- 8.4 Nick Pullen asked about efforts that Placer County has put forward to collect TOT from vacation rentals by owner. Steve Teshara noted that over 50% of the TOT in eastern Placer County is generated by vacation rentals, condominiums, etc. He said Incline Village has significantly fewer vacation rentals than Placer County. Steve noted that Placer County has outreached to vacation rentals by owner, and there has been a significant increase in TOT from this outreach. In Washoe County, Reno Sparks Convention and Visitor Authority (RSCVA) is the recipient of the funds, and the IVCBVB receives a portion of the funds collected by the RSCVA, as a percentage that is established in State law. Brett Williams asked about how Placer County is dealing with the difference in how TOT is collected in North Lake Tahoe. Alex Mourelatos reported that a past Board of Supervisors cannot encumber a future board, so that the Placer County formula for how much TOT the NLTRA receives, first established in 1995, should be periodically reviewed. He said he hopes this reaffirmation will occur before

contract negotiations begin this spring. At this time, the NLTRA has not developed a firm recommendation, but would like to get back to where we received a 60% share of TOT collected in eastern Placer County.

- 8.5 Ron Parson feels this Committee has a fairly marginal impact on this process. He said the 13 members of the Marketing Committee can influence the four members of the Marketing Co-op Committee. He feels the Co-op is a great agreement as it leverages money, but he noted that the majority of the marketing dollars are placed into the Co-op. He feels the Marketing Committee should have more impact of shaping marketing efforts of the NLTRA and influencing the Marketing Coop Committee. The IVCBVB has a Board of Directors, not a Marketing Committee.
- 8.6 Justin Broglio suggested adding the term "regional" into page. 3, Section 2 of the Participation Agreement. Specifically, he felt the mission statement should read "to position the North Lake Tahoe region as one destination, to focus on identifying regional, national and international markets..." There was general agreement on this modification. There was discussion regarding if the Co-op agreement should be renewed every two years, instead of three. After deliberations, the Committee agreed that a three year term should continue.
- 8.7 **Direction to Staff: This item will be brought back for further review and discussion at the February 24th, 2009 Committee meeting.**

9.0 DISCUSSION AND DIRECTION TO STAFF ON FY 2009/10 MARKETING DIRECTION AND RELATED BUDGET RESOURCE ALLOCATION

- 9.1 Andy Chapman reviewed the FY 2008/09 budget for marketing allocations. He noted that there is \$60,000 in the Community Marketing Program budget. This is divided in \$10,000 for each community group (Tahoe City Downtown Association (TCDA), North Tahoe Business Association (NTBA), West Shore Association (WSA), Squaw Valley Business Association (SVBA) and Northstar Village Retailers Association (NVRA). He noted that these monies are administered through the Chamber Advisory Committee, although they are a part of the marketing budget. There is an additional \$10,000 in the Community Marketing allocation available for event support and marketing. The NLTRA allocates \$54,400 to the Placer Lake Tahoe Film Office. The expenses related to Autumn Food and Wine are in the amount \$80,000 (offset by event revenues) and \$13,000 is designated for other special events (Big Blue Adventure Race - \$5,000, Learn to Ski/Ride - \$7,000 and Sunset Celebration Weekend - \$1,000) There is \$15,000 under Misc. Marketing Programs which includes the marketing of Fabulous Fall and the "In Market" map. The Wedding and Honeymoon Association is allocated in the Marketing Co-op budget.
- 9.2 Andy reviewed the Marketing Cooperative budget. He discussed the revised dollars in the areas of Public Relations, Leisure Sales and Conference Sales. He also discussed the programs under the *Coop/Misc. Committed Programs* heading. Some of these programs included the Sierra Ski Marketing Council, the Regional Marketing Committee and the Wedding and Honeymoon Association. He noted that there is no separate wedding marketing done by the NLTRA. Money is designated for the Wedding and Honeymoon Association which presents a detailed ROI report to the Committee each year. Andy discussed the shifts in the budget under the heading *Consumer Marketing*. Due to economic issues, as well as slow start to the winter season and lower gas prices, there has been a shift in advertising to focus more heavily in the Bay Area. Andy noted that this year, the NLTRA placed \$832,000 into the Co-op budget and Incline

placed \$665,655 into the Co-op. There was discussion about the Regional Marketing Committee and their purpose which is to grow and sustain air service. Deanna Gescheider noted that without air service coming into our area, it is very difficult to get the visitors here. Julie Maurer discussed the importance of the various committed programs that we contribute to and the way these cooperatives leverage the NLTRA's marketing budget.

- 9.3 There was discussion about the ROI component of the Community Marketing Grant Program. Justin Broglio discussed the need for more money to be placed into the Community Marketing Program for events. He reported that this year only \$10,000 was available for events, and the Chamber Advisory Committee and Community Marketing Grants Subcommittee received grant request applications in the amount of approximately \$48,000. Ron Parson discussed the building blocks approach. He feels there needs to be a zero-based analysis of every item in the budget. He would be happy to spend zero dollars until there is time to go through a building block analysis of the entire budget to determine if all the various allocations are correct and necessary in order to determine if money is available for other efforts.
- 9.4 Andy Chapman said that the zero based approach is a good idea in order to determine the importance of the various budgeted elements. He said if we agree to move forward with the Co-op, then a certain amount of money is allocated for the Co-op. He noted that there are several community workshops scheduled over the next few months that will provide the community, NLTRA Marketing Partners, this Committee and the NLTRA Board to provide input in developing the NLTRA's marketing budget for FY-2009/10. There was discussion about the marketing performance document. The document is available for the Committee's review at www.nltra.org.
- 9.5 Direction to Staff: Create next few steps of marketing planning process. Prepare for community workshops.**

10.0 DISCUSSION AND DIRECTION TO STAFF ON POSSIBLE EXTENSION OF WINTER BAY AREA ADVERTISING EFFORT

- 10.1 Andy Chapman discussed the background on our current winter Bay Area advertising efforts. At the January 6th Marketing Committee meeting, the Committee directed staff to place a discussion item on the next agenda on the possible usage of reserve funds to extend the current Bay Area advertising campaign at the conclusion of the three week television buy. Wendy Hummer discussed the reach and frequency of the spot; although the goal was to reach women, it actually reached 32.7% women and 39.3% men, in addition to reaching skiers and other cable viewers.
- 10.2 Cathy Davis discussed the television spot. She supplied preliminary results from the cable buy. The spot was image-oriented with "Call to Action" message for the consumer to visit the Cool Deals page. Cathy reported that unique visits were higher over the same week in 2008, although the unique visits to the Cool Deals page were lower compared to the same week in 2008. The search engine referrals increased over last year, as well as the number of San Francisco visitors to the site. She noted that the San Francisco cable communities also increased over last year. She reported that the week before the cable launched actually showed higher numbers and noted that this was the week leading up to Martin Luther King weekend. She said there is also a slight margin of error that was created (probably 10%) by switching from using Geobytes to Google Analytics. Wendy noted that rain was also forecasted during the first week of the

cable buy. Andy reminded everyone that this report only shows one week of results.

- 10.3 Wendy discussed possible extension options and distributed a handout to the Committee containing options A, B and C. Option A extended the brand message through March with the use of television, outdoor and internet. Option B focused on the weather with a time sensitive advertising message to capitalize on new snowfall. Option C left the current media plan in place with no additions. Staff discussed the desire to change the final visual (art card) in the spot to highlight current events and activities, as well as a stronger promotion of the Cool Deals section of the Web site. Wendy Hummer reported that she submitted an additional grant request for an expanded cable buy three weeks ago. She said we were approved for an additional \$44,000 matching grant from Comcast for use in 2009. There was discussion that money for the winter Bay Area advertising extension would have to be pulled out of marketing reserve funds that must be replaced in next fiscal year's budget.
- 10.4 Ron Parson noted the importance of changing perceptions in the Bay Area. He said this is primarily a public relations effort. Pettit Gilwee reported that she sends an average of two news releases out per week. Les Pedersen said that according to MTRiP, advanced bookings for March are down from prior year. He suggested using Option A with a focus on internet and possibly television. Nick Pullen suggested the possibility of using a landing page or additional URL to help determine the number of television viewers that were being drawn to the site. Cathy Davis noted that we are tracking the hits on the Cool Deals page which is the call to action in the ad.
- 10.5 **M/S/C (Parson/Maurer) (12/0) approve up to and not to exceed \$40,000 for staff to create a package and program using Option A to increase advertising efforts and opportunities to improve bookings in late February and March in North Lake Tahoe.**
- 10.6 There was discussion about the possible usage of a radio buy to offer giveaways and deals in order to drive people from the Bay Area to North Lake Tahoe.

11.0 DISCUSSION AND DIRECTION TO STAFF ON SPRING/SUMMER MEDIA PLAN OUTLINE

- 11.1 Due to time limitations, this item was tabled for the February meeting.

12.0 DEPARTMENTAL REPORTS

- 12.1 **Advertising** – Cathy Davis reported on ads running in January and February in Outside Magazine, Los Angeles Magazine, Newsweek LA Metro Buy, Women's Adventure, Nevada Travel Planner, CA Visitors Guide and the AAA Tourbook. She reported that in December, North Lake Tahoe received 2,966,908 impressions and 15,676 clicks from the paid Internet advertising campaign. The Bay Bridge Outdoor Board updated creative was posted on January 12th. The GoTahoeNorth.com continues to be updated and adjusted for user usability. The January database email blast is scheduled to be sent on Monday, January 26th containing deals, events and a recent video message. Alex Mourelatos requested the entire Marketing Committee be added to the email blast database.
- 12.2 **Conference Sales** – Jason Neary reported that he booked three meetings in the last month that are anticipated to generate \$31,000 in room revenue and roughly

270 room nights. Jason hosted site visits for Cox Media and Meritain Health. The combined revenue for these two programs is roughly \$200,000. He noted that no leads that the North Lake Tahoe Conference Sales department have been cancelled at this time.

- 12.3 **Special Projects** – Judy Laverty reported on the Learn to Ski and Board weekend. She noted that goal of the program is to introduce skiers and boarders to the sport in hopes of driving repeat visitation. Due to snow conditions, only 4 out of the 9 participating ski resorts were opened during the Learn to Ski and Board weekend. For \$25, beginners received a group lesson, a beginner's lift ticket and gear rental. She said there were 1,584 participants.
- 12.4 **Public Relations** – Pettit Gilwee reported that the ROI for the second quarter is at 744,000 using advertising one-on-one equivalency. She continues to send out the Monday Recreation Report every Monday which highlights events, programs and activities on the North Shore. She is in the process of mailing the media ski invite for top-tier journalists, inviting them to experience the North Lake Tahoe winter product firsthand. Pettit is attending the CA Media Blitz in New York City. This is basically a "giant cocktail party for journalist". She will also host one-on-one editorial meetings. Currently, there are 5 news releases in the works, and 8 releases were distributed in the last month, along with 26 media leads.

13.0 COMMITTEE MEMBER COMMENTS

- 13.1 Alex Mourelatos thanked all new members and returning members for serving on this Committee. He distributed a handout of the focus areas he would like the NLTRA to focus on this year. He would like to increase the confidence of Association members; reflect performance measurements in the decision making process; improve working relationships with Placer County; and enhance marketing efforts.

14.0 STANDING REPORTS

- 14.1 The following standing reports were posted on nltra.org:
- Reno/Tahoe International Airport November Report
 - December Search Engine Optimization Report
 - December GeoTracking Report
 - December Web Report
 - December Click Thru Report
 - November Financials
 - December MTRiP Report

15.0 ADJOURNMENT

- 15.1 The Marketing Committee meeting adjourned at 4:20 p.m.

Submitted by:

Whitney Parks,
Administrative Assistant

**NORTH LAKE TAHOE MARKETING COOPERATIVE
PARTICIPATION AGREEMENT**

This NORTH LAKE TAHOE MARKETING COOPERATIVE PARTICIPATION AGREEMENT ("**Agreement**") dated as of the first day of July 2009 is entered into by, between and among the Participants (as defined below).

RECITALS:

WHEREAS, the Participants are comprised of public non profit corporations which receive Transient Occupancy Tax ("**TOT**") funds from their respective local political jurisdictions for the purposes of marketing the North Lake Tahoe (Exhibit B) region and desire to join together to contribute funds to market and position the region as one tourism destination through a North Lake Tahoe Marketing Cooperative ("**NLTMC**").

WHEREAS, the Participants desire to develop and implement on the terms and conditions set forth herein a NLTMC marketing plan to support the North Lake Tahoe hospitality industry by establishing an overall resort destination identity.

WHEREAS, to develop and implement this marketing plan the Participants agree to establish a Cooperative Marketing Committee ("**CMC**") and to elect representatives to serve on the CMC to coordinate this cooperative effort.

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Participants agree as follows:

AGREEMENT:

1. DEFINITIONS.

1.1 Participants: The term "**Participants**" shall refer to the following organizations:

(i) The Lake Tahoe Incline Village Crystal Bay Visitors Bureau, a Nevada non-profit corporation ("**LTIVCBVB**");

(ii) North Lake Tahoe Resort Association, a California public benefit non profit corporation ("**NLTRA**");

1.2 North Lake Tahoe Marketing Cooperative: The NLTMC as established by the Participants as a cooperative agreement.

1.3 Cooperative Marketing Committee: The committee established by the Participants to coordinate efforts to fund and implement the North Lake Tahoe Marketing Cooperative. The role of the CMC is to finalize a Regional Cooperative Marketing Plan ("Plan") and oversee Plan implementation, using the budget resources identified and approved by the Participants. The CMC shall oversee the Plan by providing direction and oversight to the Plan Administrator. The Plan shall not be effective unless and until approved by the Boards of each Participant.

Subject to Section 8, below, each Participant will select four individuals to serve as voting members of the CMC ("**Voting Member**"). CMC meetings shall be noticed and conducted in accordance with the Nevada Open Meeting Law and in accordance with those requirements of NLTRA's agreement with Placer County, and held at least once each quarter, or as needed, at the discretion of the CMC Chairperson, based on marketing initiatives or programs requiring CMC discussion, direction, or action in the form of a vote.

1.4 CMC Chairperson: The Chairperson ("**Chair**") to be elected on an annual basis by a majority of the voting members of the CMC, subject to conditions in Section 9, Paragraph 1.

1.5 Plan Administrator. The NLTRA shall provide a person to serve as the NLTMC Plan Administrator ("Administrator") throughout the term of this Agreement, at the discretion of the CMC. The Administrator shall manage the CMC approved Plan implementation. The Administrator shall update the CMC at all regularly scheduled meetings and provide additional updates as required, depending on programs or as directed by the CMC Chair. The Administrator shall be responsible for (i) identifying and retaining the services of such persons, firms and organizations to provide creative and other necessary support to develop and implement the Mission Statement and the Plan; (ii) identifying and implementing sales and marketing projects to achieve the goal of the Mission Statement and Plan and set forth in sections 2 and 3 of this Agreement, respectively; (iii) identifying and supporting strategies, organizations and businesses that are cooperative with, or further the Mission Statement and the Plan. In addition, the Administrator shall authorize invoices and payments consistent with the Plan and ensure financial accountability to both the CMC and the Participants.

1.6 Budget Administrator The person designated by the LTIVCBVB to act as Budget Administrator, at the discretion of the CMC. The role of the Budget Administrator is to (i) ultimately authorize payments in accordance with the approved CMC Budget subsequent to plan administrator approval, (ii) coordinate cooperative fund contributions and payment of vendors and contractors, and (iii) coordinate accounting procedures to insure financial compatibility between each participating organization and the CMC.

1.7 Limited Partners. New Limited Partners (LP) may be accepted at any time upon the approval of all existing Participants in the NLTMC, provided that the new LP agrees in writing to terms and conditions as specified by existing participants and as warranted by the extent of financial contributions.

2. MISSION STATEMENT. The Participants agree that the intent and mission of the NLTMC is to bring together public and private organizations and businesses to contribute marketing dollars and expertise to position the North Lake Tahoe region as one destination, to focus on identifying regional, national and international markets, and to target common tourism industry interests and desires for cooperative action and marketing programs.

3. REGIONAL COOPERATIVE MARKETING PLAN The Participants shall develop and implement a Plan for the purpose of furthering the adopted NLTMC Mission Statement, supporting the regional tourism industry and business community by establishing an overall resort destination marketing identity; developing regional private sector support for this identity and a commitment to position and sell private sector products and/or services as components of the identity and Plan, as may be appropriate for each Participant and supporting partner. During the term of this agreement, participants agree that any other marketing activities undertaken, outside the Cooperative Marketing Plan will in no way compete with the destination brand as further developed and supported by the cooperative.

4. FUND CONTRIBUTION. Preparation, administration and implementation of the Plan shall be funded through annual contributions made by each Participant. Contributions shall be made by each Participant for each fiscal year of the program. Each Participant agrees to annually contribute the amount of money set forth in Exhibit A attached hereto and incorporated by reference. The Participants recognize and agree that the amount of funding each contributes may vary from fiscal year to fiscal year, depending on the total amount of TOT funding available to each from their respective local political jurisdictions. All funds contributed to this Agreement shall be used for the purpose of funding the Plan as generally defined in section 3, above. In no event shall the cumulative expenses and costs of the Plan exceed the aggregate amount of the marketing funds set forth in Exhibit A.

5. TERM. This Agreement shall remain in effect unless canceled, in writing, by one of the Participants. It is recognized that to achieve maximum effectiveness, the NLTMC should be established and continued for the long-term. Therefore, a written notice to cancel by any one of the Participants must provide a minimum of 12 months notice prior to the effective date of the cancellation, so that the NLTMC can wind down operations with minimum disruption to the separate marketing programs of each Participant. In the event that notice is given, CMC operations and governance shall continue as specified in this Agreement and funding levels shall be maintained at a level of at least 75% of the contribution, of each Participant, at the time of notice of intent to cancel. It is further agreed by the Participants that the initial term of

this agreement shall be three years. The Agreement may be renewable for one or more additional terms, as may be agreed, in writing, by the Participants.

6. FUNDS AVAILABLE. The Participants recognize and agree that their ability to provide funds to support the NLTMC is contingent upon the receipt of TOT revenues from their respective local political jurisdictions. Should one or more of the Participants be advised by their local political jurisdiction of a reduction or elimination of TOT revenues, a notice of cancellation, if necessary, can be submitted in writing with a notice of less than 12 months. However, the Participants pledge their good faith efforts to ensure that any cancellation of this Agreement takes place over a minimum of 12 months to help ensure a minimum disruption to the separate marketing programs of each Participant.

7. DISSOLUTION

7.1 RETURN OF EXCESS FUNDS. If this Agreement is canceled, upon dissolution of the NLTMC, any excess funds remaining in the NLTMC account shall be distributed on a pro rata share to the Participants in accordance with their annual contributions to the NLTMC account as of the effective date of termination. Should there be a deficiency of funds to cover authorized expenses, the Participants agree to fund their share of such expenses, consistent with the manner by which any excess funds would be distributed. Lists and data collected and projected during the term of this Agreement will be equally the property of all Participants at the time of dissolution. Collateral materials produced by cooperative marketing funds (e.g., brochures, exhibits, ticket stock, etc) shall be divided among the Participants in the same manner as the distribution of any excess marketing funds.

7.2 USE OF PARTICIPANT INTELLECTUAL PROPERTY Unless otherwise agreed, upon dissolution none of the participants will have the right to any brand, creative, or intellectual property created using cooperative funds. The Participants acknowledge that each Participant owns certain intellectual property (specifically including but not limited to trademarks, service marks, trade secrets, websites and the like), and each Participant hereby agrees not to use any intellectual property belonging to another Participant without first executing a separate trademark license agreement governing such use.

8. MEMBERSHIP OF THE COOPERATIVE MARKETING COMMITTEE. Consistent with the role of the CMC, as defined in Section 1, above, the membership of the CMC shall consist of four (4) members selected by the Board of Directors of each Participant, to include the Executive Director ("CEO") of each Participant, two (2) existing Board members from each Participant, and one (1) At Large representative from each Participant. The term of each selected CMC member shall be one year. No term limits shall apply, however, each may be replaced, at will, by their respective Participant board of directors.

9. VOTING AND VOTING PROCEDURES. All transactions of business requiring approval of the CMC shall only be taken with a quorum present and provided a majority of the duly authorized voting members has participated in discussions and has voted on the action proposed. A quorum of the Committee is established with five members. The transaction of business requiring approval of the CMC shall include, but not be limited to, the responsibilities as outlined in Section 1.3, above. Voting shall be conducted at any regularly scheduled and noticed meeting of the CMC or at a meeting scheduled and noticed at the direction of the Chair with the consent of a majority of the CMC members. Voting members may participate by telephone in scheduled, noticed meetings of the CMC, as long as all participants can hear each other and there is a physical location for the meeting accessible to the public and at least one voting member is present at that location.

9.1 Chair. The Chair of the CMC shall preside at all CMC meetings and exercise and perform such other powers and duties as may be required from time to time as part of the role of CMC Chair. The term of the Chair shall be one (1) year. The position shall rotate between the participants on a yearly basis.

10. MISCELLANEOUS.

10.1 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, and no other party shall be a beneficiary hereunder.

10.2 Entire Agreement. This Agreement may not be amended or modified except in writing executed by all parties hereto. The Participants each acknowledge that there are no other agreements or representations regarding the subject matter hereof, either oral or written, express or implied, that are not embodied in this Agreement, and this Agreement, and the Exhibits attached to this Agreement, represent a complete integration of all the prior and contemporaneous agreements and understandings and documents regarding the subject matter hereof.

10.3 Governing Law. This Agreement will be governed by, interpreted under, and construed and enforced in accordance with the laws of the State of Nevada. Each of the parties hereto acknowledges and agrees that the laws of the State of Nevada were freely chosen.

10.4 Severability. The invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the enforceability of any other provision of this Agreement, all of which shall remain in full force and effect.

10.5 Counterpart. This Agreement may be signed in counterparts by the participating parties, which counterparts together shall constitute a single instrument.

The Participants have executed this Agreement to be effective as of the date first written above.

10.6 NRS Compliance This is an interlocal agreement subject to the provisions of NRS 277.100, et seq., and will not be valid until approved in accordance with that chapter.

10.7 Precedence In Conflicting Documents. It is further expressly agreed by and between the participants hereto that should there be any conflict between the terms of this instrument and the NLTRA/Placer County Agreement, as it reads on the date of this document signing, then the NLTRA/ Placer County Agreement shall control and nothing herein shall be considered as acceptance of the said terms by either NLTRA nor Placer County.

**INCLINE VILLAGE/CRYSTAL BAY NORTH LAKE TAHOE RESORT
VB ASSOCIATION**

By: _____

By: _____

Its: _____

Its: _____

Date: _____

Date: _____

EXHIBIT A

**North Lake Tahoe Marketing Cooperative
Contribution Schedule**

<u>Month</u>	<u>% of Total Due</u>
July	.083
August	.083
September	.10
October	.10
November	.10
December	.083
January	.083
February	.083
March	.083
April	.066
May	.066
<u>June</u>	<u>.066</u>
Total	100

Participants agree to a minimum contribution of 45% of their total marketing budgets for the initial year of this agreement (may be pro-rated dependent upon coop start date). This percentage is subject to review and adjustment on an annual basis to coincide with the budgeting process for both participants.

EXHIBIT B

"North Lake Tahoe" Geographic definition

The North Lake Tahoe Marketing Cooperative will brand "North Lake Tahoe" which will encompass the specific and general areas encompassing the following communities:

Incline Village
Crystal Bay
Kings Beach
Tahoe Vista
Carnelian Bay
Tahoe City
West Shore
Squaw Valley
Northstar
Greater Truckee
Alpine Meadows

**Performance Measurement
2005/06 vs. 2007/08**

Leisure Advertising

Advertising/Promotions

	2005/06	Oct 07 - Sept 08	% Change
Total Reach	54.4%	52.6%	-3.3%
Total Frequency	6.4	3.5	-45.3%
Gross Impressions (Millions)	64.5	73.2	13.5%

Total Value of Media Placed

a. Paid Media Dollars	\$301,157	\$667,999	121.8%
d. Unpaid Media Dollars	\$252,261	\$387,070	53.4%
TOTAL	\$553,418	\$1,055,069	90.6%

Online Activity

a. Number of pay per click keywords	127	162	27.6%
b. Time spent on consumer website	5.03	5.7	13.3%
d. Number of user sessions	494394	691292	39.8%
e. Number of unique visitors	289863	566789	95.5%
f. Number of repeat visitors	43383	124503	187.0%
g. Search engine referrals	93664	208029	122.1%
i. Email open rate	14.8%	11.1%	-25.0%
j. Email click through rate	20.0%	19.5%	-2.5%

Media/Public Relations

Media Trade Shows

a. Number of trade shows attended	4	2	-50.0%
b. Number of appointments	11	32	190.9%
c. Number of qualified media	120	400	233.3%

Media Missions

a. Number of media missions	0	2
b. Number of coop partners	0	18
c. Number of media contacts	0	31

Media Familiarization Tours (FAMs)

a. Number of FAMs	26	32	23.1%
b. Number of qualified media participating	97	83	-14.4%
c. Number of publications represented	125	147	17.6%

Press Releases

Number of press releases issued	140	115	-17.9%
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Number of Media Inquiries

	244	338	38.5%
Number of Media Interviews	162	122	-24.7%

Placements

a. Total number of placements	667	555	-16.8%
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b. Regional vs. National

60/40	48/52
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b. Domestic vs. International

95/5	98/2
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Advertising Equivalency (Millions)

	\$3.30	\$4.10	24.2%
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Conference/Group Sales

2005/06 Oct 07 - Sept 08 % Change

Leads

Number of leads	453	474	4.6%
Lead room nights	12696	146462	1053.6%

Booked Business

Number of bookings	79	80	1.3%
Booked room nights	12275	18353	49.5%
Booked attendance	6542	8914	36.3%
Booked attendee spending	\$ 1,670,699	\$ 2,603,307	55.8%

Lost Business

Number of lost opportunities	275	278	1.1%
Lost room nights	71783	95282	32.7%
Lost attendance	42277	41064	-2.9%

Arrived Business

Number of bookings	75	74	-1.3%
Number of booked room nights	12696	13923	9.7%
Number of booked attendees	6645	7244	9.0%
Booked attendees spending	\$ 1,730,345	\$ 1,799,710	4.0%

Personnel productivity metrics

Number of leads-sales person A	300	474	58.0%
Number of leads-sales person B	153	n/a	
Number of bookings-sales person A	57	80	40.4%
Number of bookings-sales person B	18	n/a	
Number of booked room nights- sales person A	9864	18353	86.1%
Number of booked room nights- sales person B	2832	n/a	