



north lake tahoe

Chamber | CVB | Resort Association

Agenda and Meeting Notice THE NORTH LAKE TAHOE RESORT ASSOCIATION BOARD OF DIRECTORS Wednesday November 7, 2012 – 8:30 am – 11 a.m. Tahoe City Public Utilities District

NLTRA Mission

“To promote tourism and benefit business through efforts that enhance the economic, environmental, recreational and cultural climate of the area.”

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

ITEMS MAY NOT BE HEARD IN THE ORDER THEY ARE LISTED

A. CALL TO ORDER - ESTABLISH QUORUM – Chair

B. AGENDA AMENDMENTS AND APPROVAL - MOTION

1. Agenda Additions and/or Deletions
2. Approval of Agenda

C. PUBLIC FORUM

Any person wishing to address the Board of Directors on items of interest to the Resort Association 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 Board on items addressed under Public Forum.

D. REPORTS & ACTION ITEMS

Marketing (65 minutes)

3. MTRiP Update – Andy Chapman (5 minutes)
4. Special Event Grant Allocation Recommendation – Judy Lavery-Capach **MOTION** (10 minutes)
5. School of Thought Presentation – Andy Chapman (20 minutes)
6. School of Thought Contract Approval – Andy Chapman **MOTION** (10 minutes)

Membership (20 minutes)

7. Membership Sales Update – Deanna Frumentti (5 minutes)
8. Change from Membership Advisory Committee to Business Association and Chamber Collaborative - Deanna Frumentti **MOTION** (10 minutes)

2012

Board Members

Wally Auerbach
Auerbach Engineering

Eric Brandt
Tahoe TV

Phil GilanFarr
(Vice-Chair)
CB's Pizza & Grill

Allen Highfield
(Treasurer)
The Ritz-Carlton

Kali Kopley
(Secretary)
Uncorked/Petra/Soupa

Alex Mourelatos
Mourelatos Lakeshore
Resort

Valli Murnane
Tahoe XCountry

Ron Parson (Chair)
Granlibakken

Bill Rock
Northstar

Andy Wirth
Squaw Valley/Alpine
Meadows

Ron McIntyre
RMC Consulting
(Ex-Officio)

Jennifer Merchant
Placer County

Julie Regan
TRPA
(Ex-officio)

9. Approval of changes to Supplemental Operating Procedures and Policies – Sandy Evans Hall **MOTION** (5 minutes)
10. Membership Activities and Events – Deanna Frumentti (5 minutes)

Transportation/Infrastructure (30 minutes)

11. Wayfinding Signage Master Site Plan RFP Consultant Selection and Funding Funding Request – Ron Treabess **MOTION** (10 Minutes)
12. Tahoe City Visioning/Community Area Plan meeting November 15– Sandy Evans Hall (5 minutes)
13. Transit Summit recap – Ron Treabess (10 minutes)
14. TRPA Regional Plan update – Sandy Evans Hall (5 minutes)

County Contract (10 minutes)

15. County Contract Approval – Sandy Evans Hall **MOTION** (10 minutes)

Strategic Goals/Master Plan (5 minutes)

16. Tourism Development Master Plan Review Task Force update – Ron Parson (5 minutes)

Board Election (10 minutes)

17. Election Committee Update – Sandy Evans Hall (10 minutes)
18. Resignation from Allen Highfield, Appointment of Bill Rock as Treasurer for remainder of term – Sandy Evans Hall **MOTION** (5 minutes)

E. DIRECTORS' COMMENTS

F. CONSENT CALENDAR – MOTIONS (5 min)

All items (**in bold**) listed under the consent calendar-motions are considered to be routine and/or have been or will be reviewed by committee, and will be approved by one motion. There will be no separate discussion of these items unless a Board member or staff person requests a specific item be removed from the consent calendar for separate consideration. Any item removed will be considered after the motion and vote to approve the remainder of consent calendar-motions.

19. **Board Meeting Minutes – October 3, 2012**

All committee meeting briefs are provided for informational purposes only. Minutes are available at www.nltra.org

20. **Joint Infrastructure/Transportation Committee – October 29, 2012**
21. **Marketing Committee – October 30, 2012**
22. **Membership Advisory Committee – October 10, 2012**
23. **Lodging Committee – November 1, 2012**
24. Conference Sales Directors Committee – No meeting in October
25. **Finance Committee – November 2, 2012 (No brief attached – will be available next month)**
26. **1st Quarter Financial Reports (July through September)**

The following reports are provided on a monthly basis by staff and can be pulled for discussion by any board member

27. **Conference Sales Reports**
28. **Infrastructure/Transportation Activity Report – October**

G. MEETING REVIEW AND STAFF DIRECTION

H. CLOSED SESSION (If necessary)

I. RECONVENE TO OPEN SESSION

J. ADJOURNMENT

This meeting site is wheelchair accessible.

Posted and e-mailed, , 2012



RESERVATIONS ACTIVITY REPORT North Lake Tahoe

Destination: North Lake Tahoe

Period: Bookings as of Sep 30, 2012

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Executive Summary

Data based on a sample of up to 11 properties in the North Lake Tahoe destination, representing up to 1,737 Units ("MTRIP Census**")

		2012/13	2011/12	Year over Year % Diff
a. Last Month Performance: Current YTD vs. Previous YTD				
North Lake Tahoe Occupancy for last month (September) changed by (0.8%)	Occupancy (September) :	48.8%	48.4%	0.8%
North Lake Tahoe Average Daily Rate for last month (September) changed by (2.9%)	ADR (September) :	\$184	\$179	2.9%
North Lake Tahoe RevPAR for last month (September) changed by (3.7%)	RevPAR (September) :	\$90	\$86	3.7%
b. Next Month Performance: Current YTD vs. Previous YTD				
North Lake Tahoe Occupancy for next month (October) changed by (13.4%)	Occupancy (October)	26.6%	23.4%	13.4%
North Lake Tahoe Average Daily Rate for next month (October) changed by (6.5%)	ADR (October) :	\$159	\$149	6.5%
North Lake Tahoe RevPAR for next month (October) changed by (20.8%)	RevPAR (October) :	\$42	\$35	20.8%
c. Historical 6 Month Actual Performance: Current YTD vs. Previous YTD				
North Lake Tahoe Occupancy for the prior 6 months changed by (0.1%)	Occupancy	48.9%	48.8%	0.1%
North Lake Tahoe Average Daily Rate for the prior 6 months changed by (3.2%)	ADR	\$198	\$192	3.2%
North Lake Tahoe RevPAR for the prior 6 months changed by (3.3%)	RevPAR	\$97	\$94	3.3%
d. Future 6 Month On The Books Performance: Current YTD vs. Previous YTD				
North Lake Tahoe Occupancy for the upcoming 6 months changed by (0.8%)	Occupancy	13.2%	13.1%	0.8%
North Lake Tahoe Average Daily Rate for the upcoming 6 months changed by (-5.3%)	ADR	\$229	\$241	-5.3%
North Lake Tahoe RevPAR for the upcoming 6 months changed by (-4.6%)	RevPAR	\$30	\$32	-4.6%
e. Incremental Pacing - % Change in Rooms Booked last Calendar Month: Sep. 30, 2012 vs. Previous Year				
Rooms Booked during last month (September, 2012) compared to Rooms Booked during the same period last year (September, 2011) for all arrival dates has changed by (-0.8%)	Booking Pace (September)	4.9%	4.9%	-0.8%

*** MTRIP Census:** Total number of rooms reported by participating MTRIP properties as available for short-term rental in the reporting month. This number can vary monthly as inventories and report participants change over time.

DESCRIPTION: The Reservation Activity Outlook Report tracks occupancy, average daily rate (ADR), and revenue per available room (RevPAR); the key metrics most of interest to lodging properties. The report combines the data sets of participating properties into a destination wide view that features three data sets (providing that sufficient information is available) including: i) current YTD occupancy, ii) last YTD occupancy, iii) last season's ending occupancy.

The Reservation Activity Outlook Report is generated on a monthly basis, usually for a 12 month subscription period, and is created from data provided by a group of properties participating in a cooperative manner, and representing a valid set of data as a result.

Report results are provided only to those properties who participate by submitting their data. Additionally, participating properties can order (on an a-la-carte basis) an individual report which shows the reservation activity of their property, measured against an aggregated set of competitive properties that they choose from amongst MTRIP's other participants.

As is the case in all MTRIP data, all information provided by individual properties is strictly confidential, except when aggregated with other data and indistinguishable as a result.

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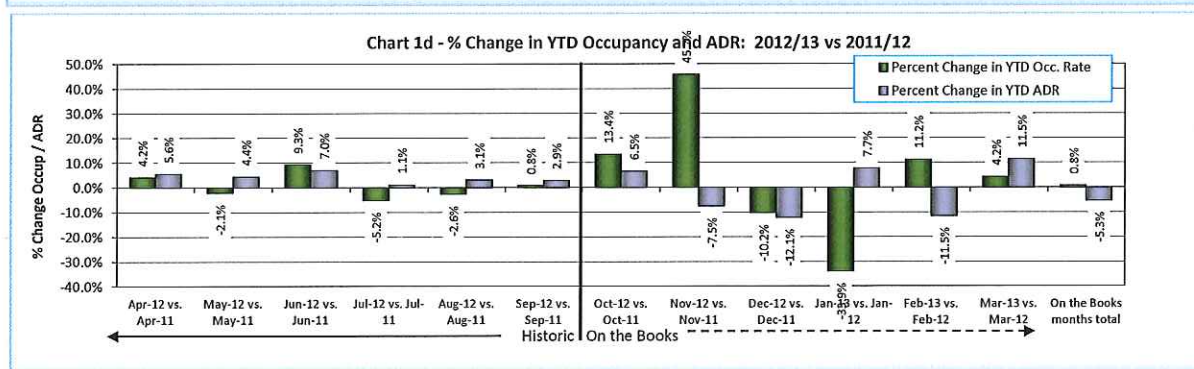
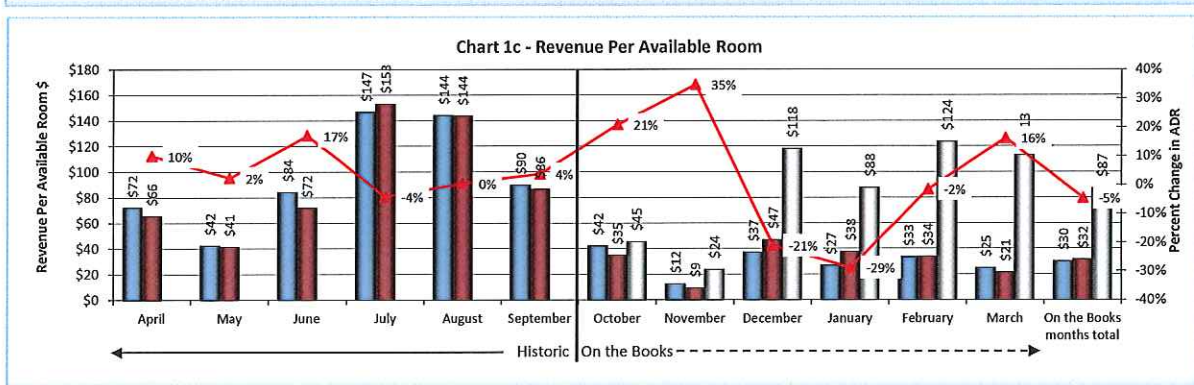
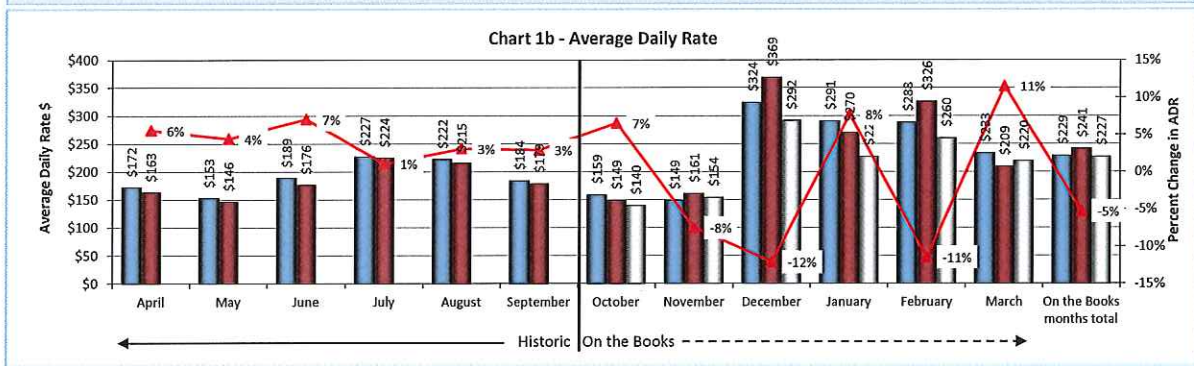
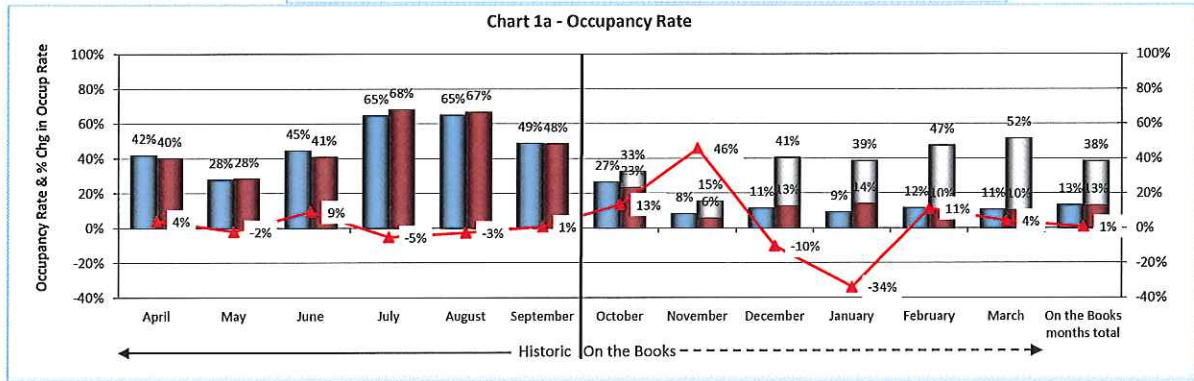
RESERVATIONS ACTIVITY REPORT

SECTION 1 - 12 MONTH ROLLING SUMMARY GRAPHS

2012/13 YTD (as of Sep 30, 2012) vs. 2011/12 YTD (as of Sep 30, 2011) vs. 2011/12 Historical

NOTE: This is not a forecast of bookings. Data represent transactions on the books as of the date noted above
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■ Historic Actual (2011/12 season) ■ Data as of September 30, 2012 (2012/13 season)
■ Data as of September 30, 2011 (2011/12 season) — Percent Change



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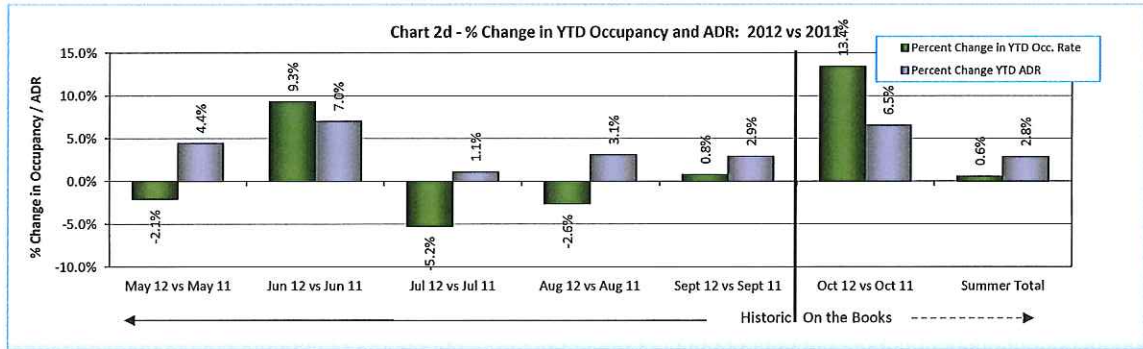
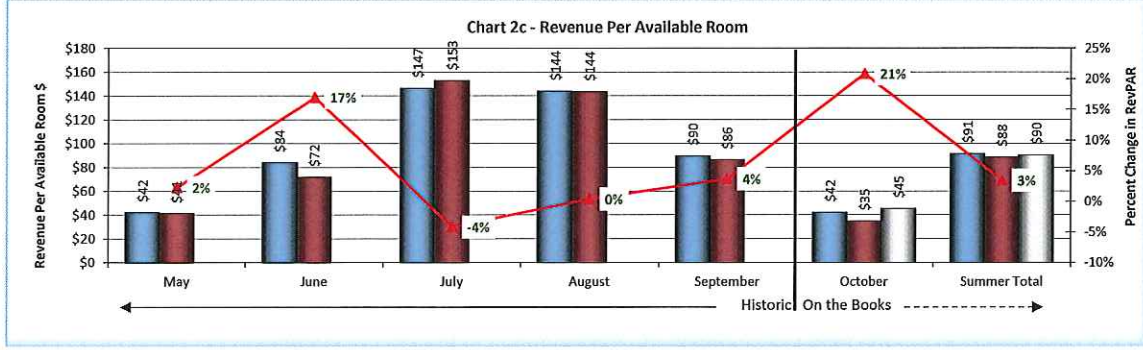
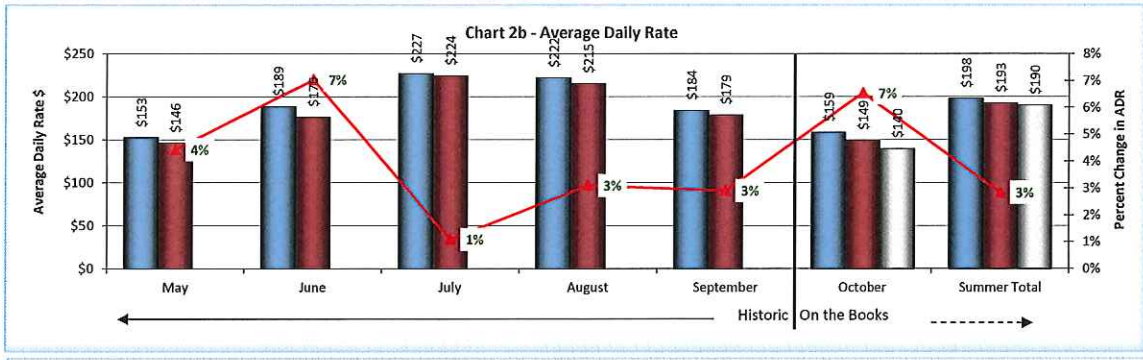
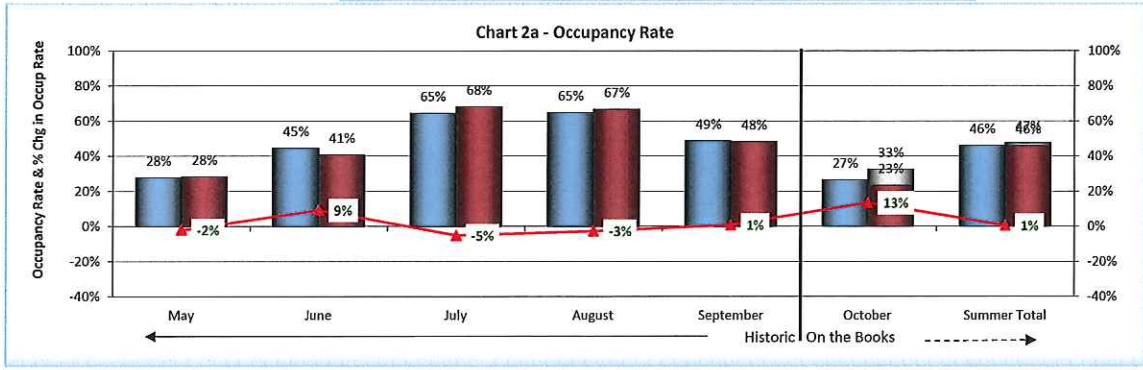
RESERVATIONS ACTIVITY REPORT SECTION 2 - SUMMER SEASON SUMMARY GRAPHS

2012 YTD (as of Sep 30, 2012) vs. 2011 YTD (as of Sep 30, 2011) vs. 2011 Historical

NOTE: This is not a forecast of bookings. Data represent transactions on the books as of the date noted above

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■ Historic Actual (2011 Season) ■ Data as of September 30, 2012 (2012 Season)
■ Data as of September 30, 2011 (2011 Season) ▲ Percent Change



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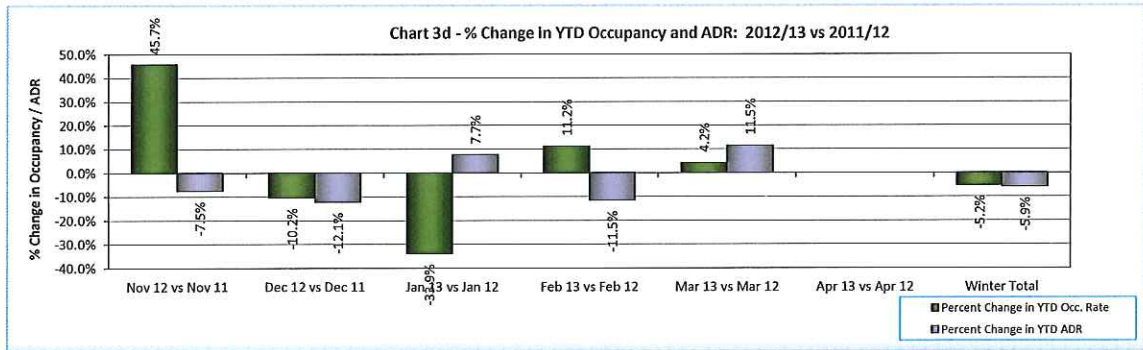
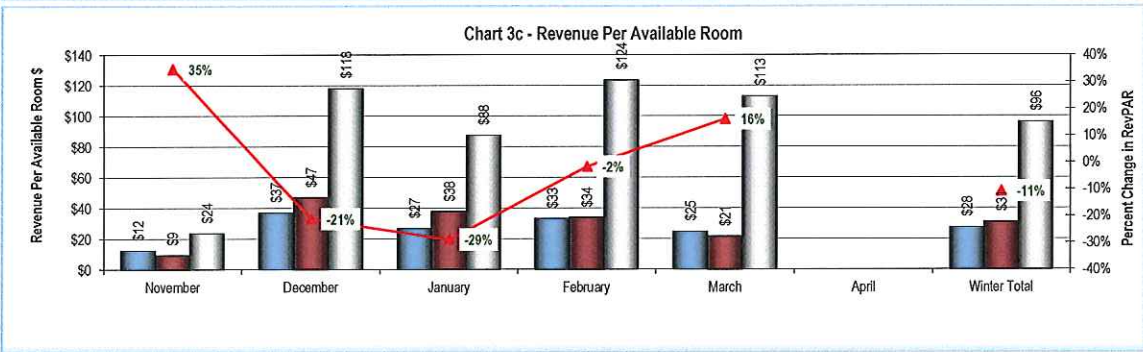
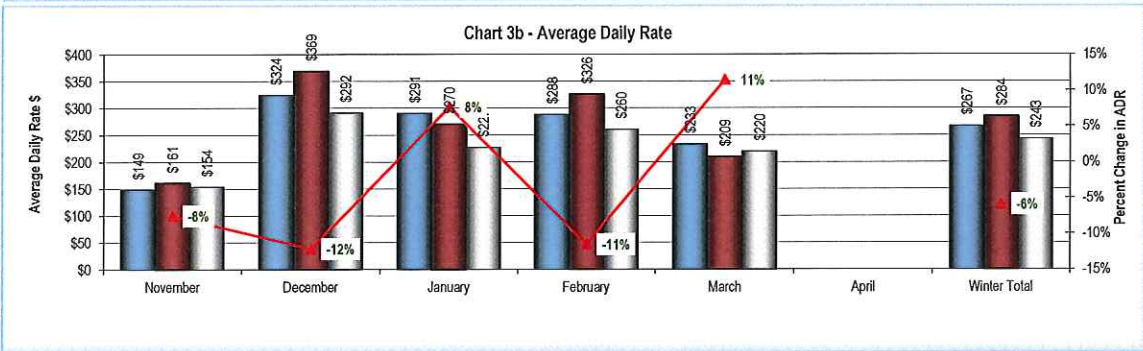
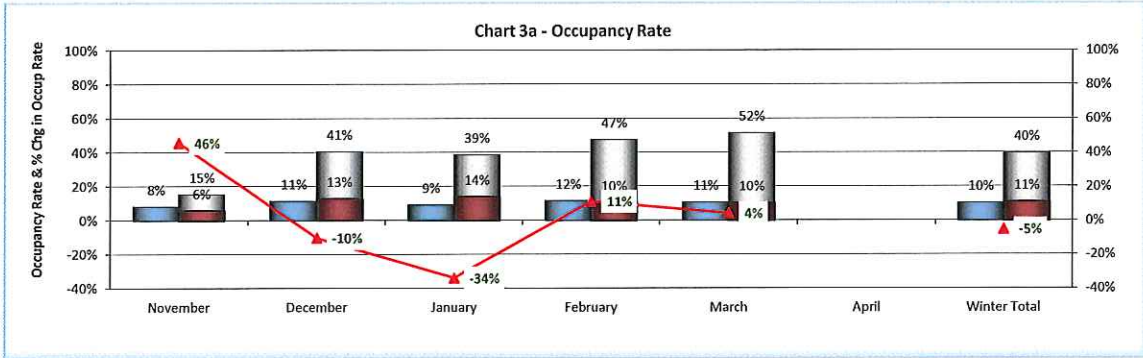
RESERVATIONS ACTIVITY REPORT
SECTION 3 - WINTER SEASON SUMMARY GRAPHS

2012/13 YTD (as of Sep 30, 2012) vs. 2011/12 YTD (as of Sep 30, 2011) vs. 2011/12 Historical

NOTE: This is not a forecast of bookings. Data represent transactions on the books as of the date noted above

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Historic Actual (2011/12 season) Data as of September 30, 2012 (2012/13 season)
Data as of September 30, 2011 (2011/12 season) Percent Change



3-4



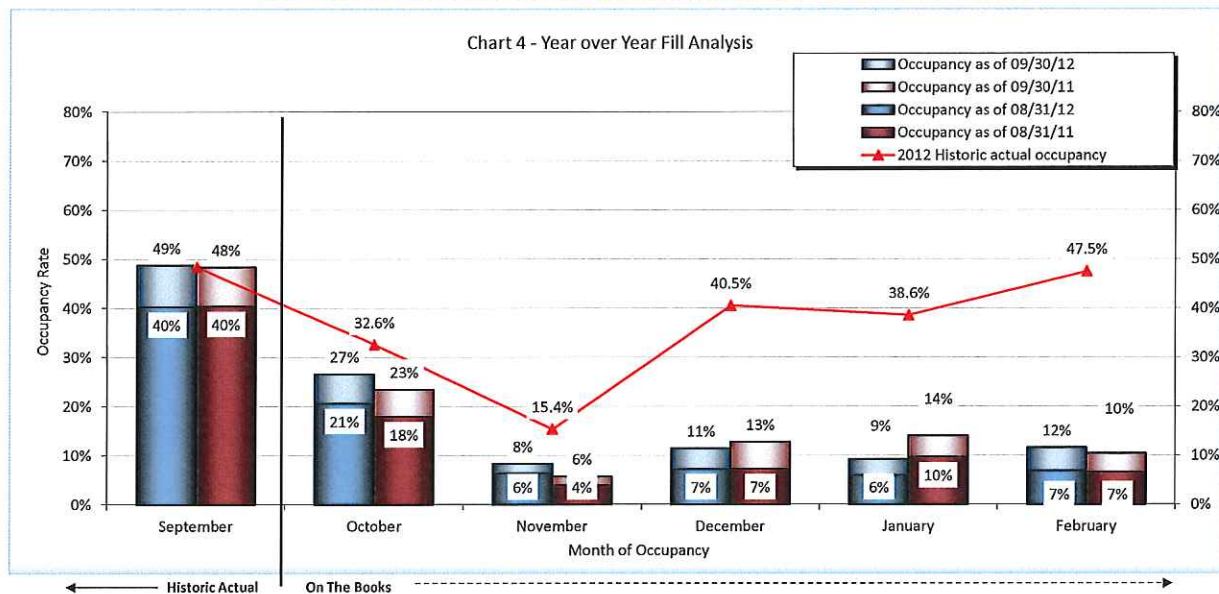
RESERVATIONS ACTIVITY REPORT

SECTION 4 - FILL ANALYSIS

2012 Occupancy Pace as of Sep 30, 2012 and Aug 31, 2012 versus same period 2011

NOTE: This is not a forecast of bookings. Data represent transactions on the books as of the date noted above

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Supporting Table for Chart 4 & Change in Incremental Fill

Month of Occupancy:	OCCUPANCY AS OF SEP 30			OCCUPANCY AS OF AUG 31			INCREMENTAL OCCUP. BOOKED (i.e. FILL DURING MONTH JUST ENDED)		CHG IN INCREMENTAL OCCUP. BOOKED (i.e. CHANGE IN FILL)		2012 Historic actual occupancy
	Occupancy as of 09/30/12	Occupancy as of 09/30/11	Absolute Change	Occupancy as of 08/31/12	Occupancy as of 08/31/11	Absolute Change	Incremental occupancy booked during Sep. 2012	Incremental occupancy booked during Sep. 2011	Absolute Change in Incremental Fill	Percent Change in Incremental Fill**	
September	48.8%	48.4%	0.4%	40.3%	40.4%	-0.2%	8.5%	8.0%	0.5%	6.8%	48.4%
October	26.6%	23.4%	3.1%	20.6%	17.9%	2.7%	6.0%	5.5%	0.4%	7.9%	32.6%
November	8.3%	5.7%	2.6%	6.4%	3.9%	2.5%	1.9%	1.8%	0.1%	7.3%	15.4%
December	11.4%	12.7%	-1.3%	7.2%	7.2%	-0.1%	4.3%	5.5%	-1.2%	-22.4%	40.5%
January	9.2%	14.0%	-4.7%	6.0%	9.6%	-3.7%	3.3%	4.3%	-1.1%	-24.4%	38.6%
February	11.5%	10.4%	1.2%	6.9%	6.6%	0.3%	4.7%	3.8%	0.9%	22.7%	47.5%
Total	19.8%	19.6%	0.1%	14.9%	14.7%	0.2%	4.9%	4.9%	0.0%	-0.8%	38.0%

**Based on providing complete pacing data within a given month of occupancy only. Results may differ from those presented elsewhere in report if property set differs."

**Results for "percent change in incremental fill" indicate how room nights booked during the month just ended compare to room nights booked during the same month in the prior year, for occupancy in the month just ended and for the upcoming five months (as well as the six-month period in total). These results provide an indication of the degree to which booking activity occurring during the month just ended was greater or less than booking activity occurring in the same month a year ago -- i.e. a measure of the strength of booking activity occurring during month just ended.

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RESERVATIONS ACTIVITY REPORT
SECTION 5A - SUPPORTING DATA TABLES
 Bookings as of Sep 30, 2012

NOTE: This is not a forecast of bookings. Data represent transactions on the books as of the date noted above
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OCCUPANCY RATE	OCCUPANCY RATE: YTD 2012/13 VS. YTD 2011/12				Historic Actual Occup. Rate (2011/12 season)	# of Properties in Sample
	Month of Occupancy (2012/13 & 2011/12)	Occup. Rate as of: September 30, 2012 (2012/13 season)	Occup. Rate as of: September 30, 2011 (2011/12 season)	Percent Change in YTD Occ. Rate		
April		41.9%	40.2%	4.2%		11
May		27.7%	28.3%	-2.1%		11
June		44.6%	40.8%	9.3%		11
July		64.6%	68.2%	-5.2%		11
August		65.0%	66.7%	-2.6%		11
September	Historic Actual	48.8%	48.4%	0.8%		11
October	On the Books	26.6%	23.4%	13.4%	32.6%	11
November		8.3%	5.7%	45.7%	15.4%	10
December		11.4%	12.7%	-10.2%	40.5%	11
January		9.2%	14.0%	-33.9%	38.6%	11
February		11.5%	10.4%	11.2%	47.5%	11
March		10.7%	10.2%	4.2%	51.5%	11
Grand total		31.3%	31.2%	0.3%	43.8%	11
Historic months total		48.9%	48.8%	0.1%	48.8%	11
On the Books months total		13.2%	13.1%	0.8%	38.4%	11

AVERAGE DAILY RATE	ADR: YTD 2012/13 VS. YTD 2011/12				Historic Actual ADR (2011/12 season)	# of Properties in Sample
	Month of Occupancy (2012/13 & 2011/12)	ADR as of: September 30, 2012 (2012/13 season)	ADR as of: September 30, 2011 (2011/12 season)	Percent Change in YTD ADR		
April		\$172	\$163	5.6%		11
May		\$153	\$146	4.4%		11
June		\$189	\$176	7.0%		11
July		\$227	\$224	1.1%		11
August		\$222	\$215	3.1%		11
September	Historic Actual	\$184	\$179	2.9%		11
October	On the Books	\$159	\$149	6.5%	\$140	11
November		\$149	\$161	-7.5%	\$154	10
December		\$324	\$369	-12.1%	\$292	11
January		\$291	\$270	7.7%	\$227	11
February		\$288	\$326	-11.5%	\$260	11
March		\$233	\$209	11.5%	\$220	11
Grand total		\$205	\$202	1.1%	\$207	11
Historic months total		\$198	\$192	3.2%	\$192	11
On the Books months total		\$229	\$241	-5.3%	\$227	11

REVENUE PER AVAILABLE ROOM	REVPAR: YTD 2012/13 VS. YTD 2011/12				Historic Actual RevPAR (2011/12 season)	# of Properties in Sample
	Month of Occupancy (2012/13 & 2011/12)	RevPAR as of: September 30, 2012 (2012/13 season)	RevPAR as of: September 30, 2011 (2011/12 season)	Percent Change in YTD RevPAR		
April		\$72	\$66	10.0%		11
May		\$42	\$41	2.3%		11
June		\$84	\$72	17.0%		11
July		\$147	\$153	-4.2%		11
August		\$144	\$144	0.4%		11
September	Historic Actual	\$90	\$86	3.7%		11
October	On the Books	\$42	\$35	20.8%	\$45	11
November		\$12	\$9	34.8%	\$24	10
December		\$37	\$47	-21.1%	\$118	11
January		\$27	\$38	-28.8%	\$88	11
February		\$33	\$34	-1.6%	\$124	11
March		\$25	\$21	16.2%	\$113	11
Grand total		\$64	\$63	1.4%	\$91	11
Historic months total		\$97	\$94	3.3%	\$94	11
On the Books months total		\$30	\$32	-4.6%	\$87	11

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RESERVATIONS ACTIVITY REPORT
SECTION 5B - SUPPORTING SUMMER DATA TABLES
Summer Bookings as of Sep 30, 2012

NOTE: This is not a forecast of bookings. Data represent transactions on the books as of the date noted above
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OCCUPANCY RATE	<u>OCCUPANCY RATE: YTD 2012 VS. YTD 2011</u>			Historic Actual Occup. Rate (2011 Season)
	Occup. Rate as of: September 30, 2012 (2012 Season)	Occup. Rate as of: September 30, 2011 (2011 Season)	Percent Change in YTD Occ. Rate	
Month of Occupancy (2012 & 2011)				
May	27.7%	28.3%	-2.1%	
June	44.6%	40.8%	9.3%	
July	64.6%	68.2%	-5.2%	
August	65.0%	66.7%	-2.6%	
September Historic	48.8%	48.4%	0.8%	
October On the Books	26.6%	23.4%	13.4%	32.6%
Summer Total	46.2%	45.9%	0.6%	47.5%

AVERAGE DAILY RATE	<u>AVERAGE DAILY RATE: YTD 2012 VS. YTD 2011</u>			Historic Actual ADR (2011 Season)
	ADR as of: September 30, 2012 (2012 Season)	ADR as of: September 30, 2011 (2011 Season)	Percent Change YTD ADR	
Month of Occupancy (2012 & 2011)				
May	\$153	\$146	4.4%	
June	\$189	\$176	7.0%	
July	\$227	\$224	1.1%	
August	\$222	\$215	3.1%	
September Historic	\$184	\$179	2.9%	
October On the Books	\$159	\$149	6.5%	\$140
Summer Total	\$198	\$193	2.8%	\$190

REVENUE PER AVAILABLE ROOM	<u>RevPAR: YTD 2012 VS. YTD 2011</u>			Historic Actual RevPAR (2011 Season)
	RevPAR as of: September 30, 2012 (2012 Season)	RevPAR as of: September 30, 2011 (2011 Season)	Percent Change in YTD RevPAR	
Month of Occupancy (2012 & 2011)				
May	\$42	\$41	2.3%	
June	\$84	\$72	17.0%	
July	\$147	\$153	-4.2%	
August	\$144	\$144	0.4%	
September Historic	\$90	\$86	3.7%	
October On the Books	\$42	\$35	20.8%	\$45
Summer Total	\$91	\$88	3.4%	\$90

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RESERVATIONS ACTIVITY REPORT
SECTION 5C - SUPPORTING WINTER DATA TABLES
Winter Bookings as of Sep 30, 2012

NOTE: This is not a forecast of bookings. Data represent transactions on the books as of the date noted above

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OCCUPANCY RATE		<u>OCCUPANCY RATE: YTD 2012/13 VS. YTD 2011/12</u>			Historic Actual Occup. Rate (2011/12 season)
		Occup. Rate as of: September 30, 2012 (2012/13 season)	Occup. Rate as of: September 30, 2011 (2011/12 season)	Percent Change in YTD Occ. Rate	
Month of Occupancy (2012/13 & 2011/12)					
November	On the Books	8.3%	5.7%	45.7%	15.4%
December		11.4%	12.7%	-10.2%	40.5%
January		9.2%	14.0%	-33.9%	38.6%
February		11.5%	10.4%	11.2%	47.5%
March		10.7%	10.2%	4.2%	51.5%
April					
Winter Total		10.3%	10.9%	-5.2%	39.7%

AVERAGE DAILY RATE		<u>ADR: YTD 2012/13 VS. YTD 2011/12</u>			Historic Actual ADR (2011/12 season)
		ADR as of: September 30, 2012 (2012/13 season)	ADR as of: September 30, 2011 (2011/12 season)	Percent Change in YTD ADR	
Month of Occupancy (2012/13 & 2011/12)					
November	On the Books	\$149	\$161	-7.5%	\$154
December		\$324	\$369	-12.1%	\$292
January		\$291	\$270	7.7%	\$227
February		\$288	\$326	-11.5%	\$260
March		\$233	\$209	11.5%	\$220
April					
Winter Total		\$267	\$284	-5.9%	\$243

REVENUE PER AVAILABLE ROOM		<u>REVPAR: YTD 2012/13 VS. YTD 2011/12</u>			Historic Actual RevPAR (2011/12 season)
		RevPAR as of: September 30, 2012 (2012/13 season)	RevPAR as of: September 30, 2011 (2011/12 season)	Percent Change in YTD ADR	
Month of Occupancy (2012/13 & 2011/12)					
November	On the Books	\$12	\$9	34.8%	\$24
December		\$37	\$47	-21.1%	\$118
January		\$27	\$38	-28.8%	\$88
February		\$33	\$34	-1.6%	\$124
March		\$25	\$21	16.2%	\$113
April					
Winter Total		\$28	\$31	-10.8%	\$96

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October 31, 2012

To: Board of Directors

From: Andy Chapman, Chief Marketing Officer
Judy Laverty, Special Event Programs Manager

Re: Community Special Event Grant Presentations

BACKGROUND

On October 24th the Special Event Grant Task Force Committee assembled to review and interview 30 grant applicants and applications for the FY 2012-2013 grant funding cycle.

The committee members included: Kali Kaliope, Phil GilanFarr, Davey Ratchford, Kevin Hickey, Michael Gelbman and Christy Beck. Staff included: Andy Chapman, Judy Laverty, Sandy Evans-Hall and Anna Atwood.

A total of \$50,000 in grant funds was available and the committee recommended funding in the amount of \$36,426 per the attached spread sheet. The funding balance of \$13,574 will be made available in January 2013 for the second round of grants.

REQUESTED BOARD ACTION

Discussion, input and approval of the recommended grant funding submitted by the Special Event Grant Task Force Committee.



north lake tahoe

Chamber | CVB | Resort Association

2012-13 Special Event Development Grant Program

Purpose:

The North Lake Tahoe Chamber/CVB/Resort Association has an established the Community Marketing Grant Program. The purpose of this program is to provide marketing and promotional support to special events targeted at visitors to the region that generate local and regional business revenue; provide local and regional media exposure, overnight visitation, and opportunities for public relations.

Criteria for Eligibility

Special Event grant funds are open to any community organization or business with an event or program that meets the following criteria:

- Targeted at visitors to the region that generate local and business revenue.
- Revenue and other benefits generated must accrue principally to areas within Placer County since the funding for this grant program comes from Placer County Transient Occupancy Tax (TOT)
- Opportunities for public relations and local and regional media exposure
- Drive overnight visitation

CMP grants are designed to provide marketing and promotional support including, but not limited to, the design, development and distribution of marketing collateral, promotional efforts, and/or advertising efforts which help generate local and regional business revenue (including Sales Tax and Transient Occupancy Tax).

Grant Eligible

- Geographic area advertising (TV, radio, print, Internet)
- Production and printing of promotional materials (brochures, flyers, posters, etc.)
- Production and printing of signage used to direct and/or inform visitors.
- Marketing and promotion in support of special events which benefit more than one geographic area of the region, or the region as a whole.

Grant Ineligible

- Capital Investments
- Salaries
- Operational Overhead
- Vehicle expenses (Fuel, etc.)
- Food, Beverage, Entertainment & Transportation
- Supplies, Equipment, Telephone, Security, Clean-up, Facility Rental

Rating form to help you see if you meet the criteria for eligibility:

1. Does your event take place in Placer County?
Yes =1 No = 0 # _____
2. Does the event have potential to generate overnight lodging tax?
1 -10 (1=none, 10=Very Strong) # _____
3. Is this a first time event?
Yes =1 No = 0 # _____
4. Does your event have opportunities for local & regional media exposure?
Yes =1 No = 0 # _____
5. When and where does your event occur? There is special consideration for events occurring during the slower times listed below and especially during the listed "strike zones". *Strike Zone is defined as a targeted period of occupancy growth opportunity of which additional resources are directed toward program implementation.*

On the Lake # _____
Jan 1 - Jun 15 = 1
Aug 15 - Dec 15 = 1

Off the Lake # _____
May 1 - Dec 15 = 1

"Strike Zone" # _____
Jan 4 - Jan 13 = 2
May 15 - Jun 15 = 2
Aug 15 - Oct 15 = 2

6. **Special Consideration** for new key initiative recreation events. Does your event showcase one or more of the following? Paddle sports, biking, hiking, Nordic skiing (one point for each) # _____

If you have 8 points or more you may qualify **TOTAL #** _____

Grant Program Process and Deadlines:

Grant deadlines apply within the fiscal year (July 1 - June 30)

- **Process**
 - Complete application by deadline. Please contact the NLTRA to confirm that the application has been received.
 - All applications are reviewed by NLTRA staff then reviewed by the Special Events Grant Task Force for allocation recommendations. The grant allocation recommendations must then be approved by the Board of Directors of the North Lake Tahoe Resort Association, typically as a Consent Calendar item on a regular Board agenda.
 - You will be notified by Staff as to your application status after the NLTRA Board has approved the funding.
 - Once approved, the applicant sets a meeting with the NLTRA's Special Event Manager to review the events' marketing plan and discuss action plans.
 - Grant funds will be paid upon receipt of the Event Final Report and will reimburse itemized expenses and receipts for all appropriate expenses up to the grant total. Some events may need some funds before the final event report can be written. In these cases, the NLTRA can pay vendors from the granted funds. This will be reviewed on a case by case basis.
 - Event Final Report is due to the North Lake Tahoe Chamber/CVB/Resort Association within 60 days of the event.

Dates:

- **Application Deadline :** **October 19th, 2012**
- **Presentations:** **Wednesday, October 24th, 2012**
- **Approval:** **November 7th, 2012**
- **Applicant Notification:** **November 8th, 2012**

Please send application and invoices to:
Judy Laverty, Special Events Manager
North Lake Tahoe Chamber/CVB/Resort Association
PO Box 884
Tahoe City, CA 96145
judy@puretahoenorth.com, fax: 530.581.8702

Dollar amounts to be awarded:

The majority of grant awards given will be in the \$500 to \$2,500 range. Requests for more than \$5,000 should be for a large-scale event and/or program targeted toward a large visitor audience. Unused or unclaimed funds will be reallocated with a deadline of February 1, 2012.

Grant Program Recipient Obligations:

Recipients of the Special Events Development Grants must comply with the following:

1. Use of the North Lake Tahoe Chamber/CVB/Resort Association logo, indicating sponsorship and/or support on printed promotional materials, including brochures, flyers, advertising, and on signage as appropriate.
2. The North Lake Tahoe Chamber/CVB/Resort Association shall be named as an additional insured if grant funds are to be used to help support a special event. General liability and liquor liability insurance limits must be at least \$1,000,000 for each occurrence, damage to rented premises and personal injury.
3. An event sponsors must be prepared to provide the NLTRA with copies of all approved event permits and licenses, as may be required by local or state agencies, upon the request of the Chamber/NLTRA.
4. Grantee agrees to no less than two meetings with the NLTRA Special Events and Chamber staff to review:
 - The event plan and provide suggestions and recommendations.
 - Event Final Report to ensure all information requested at the initial meeting is available and covered in the final report. Once the Event Final Report is approved by staff, grant funds will be released.
5. Accountability and Documentation of the Event Final Report:
All grant recipients must file a complete Event Final Report to the office of the NLTRA prior to the release of grant funds to reimburse appropriate expenses. (See Section B for Final Event Report requirements).

Grant Funding Recommendation

APPLICANT	EVENT	EVENT DATE	REQUEST	GRANTED
Christin Hanna	Lake Tahoe Dance Festival	Aug 15-18, 2013	\$2,500	\$2,000
Ernie Brassard	Tahoe Nalu SUP Race	Aug 9-10, 2013	\$5,000	\$2,500 website effort and in kind
Valli Murnane	Gourmet Ski Tour	March 10, 2013	\$911	\$0 In Kind
Amber Whitman	Nstar Snowshoe Races	Mar & Apr 2013	\$2,000	\$0
Cassandra Sharpe	Nstar Beerfest & Bluegrass Festival	Jul. 6, 2012	\$2,500	\$0
Whitney Wall	Nstar Mtn. Bike Race Series	June-Sept 2013	\$2,500	\$2,500
Mike Murphy	Barcelona NorCal Soccer Tournament	Aug 30-Sept 2, 2013	\$2,000	\$2,000
Christy Lee Smith	Lake Tahoe Flow Arts Festival		\$3,000	\$3,000
Sally Jones	Auburn Ski Club Squaw Mtn. Run	Aug. 3, 2013	\$1,500	\$0 In Kind
Daron Rahives	2013 Rahives Banzai Ski Tour	Feb & March 2013	\$10,000	\$5,000 In kind round 2
Preston Springston	Jack London Sierra Sled Dog Derby	March 2-3, 2013	\$2,426	\$2,426 In Kind
Joy Doyle/Steve Hoch	Kings Beach/TC Fireworks	July 3 & 4, 2013	\$5,000	\$0 In Kind
Todd Jackson/Big Blue	Trail Running Series/Triathlon/Swim/Fall Classic	June-October	\$9,000	\$5,000 1000 running 2.5 tri 1.5 cycl
David Polivy	US Disc Golf Tournament	Oct-13	\$2,500	\$2,500
Rene Kojiane	Squaw Valley Institute	23-May-13	\$3,000	\$0 In Kind
Mark Johnson	Martis Camp Community Foundation	July 20-27, 2013	\$5,000	\$0 Marketing Sponsorship
Kellie Cutler	North Tahoe ARTour	July 11-15, 2013	\$2,500	\$0 In Kind
Haakon Lang-Ree	Disabled Sports Ability Celebration	April 1-3, 2013	\$1,000	\$1,000 In Kind
Steve Hoch	Tahoe City Waterfront Wednesdays	June 19 & other weds.	\$2,000	\$0 In Kind
Brendan Madigan	LT Nordic Festival	12/15/12 or 1/12/13	\$2,500	\$2,500
Sierra State Park	Olympic Heritage Celebration	1/12-20, 2013	\$2,500	\$1,000
Sierra State Park	Summer Program w.State Parks	Summer 2013	\$2,500	\$1,500
Tahoe Sierra Century	Tahoe Sierra Century Ride	14-Sep-13	\$3,000	\$2,000
Lake Tahoe Music Fest.	Lake Tahoe Music Fest. Reinvention	Summer/Fall 2013	\$4,000	\$0 Possible Round 2
Tahoe Maritime Museum	The Great Escape	May 30 & Sept. 2, 2013	\$4,000	\$1,500
Loni Amado	Lake Tahoe Battle of the Paddle	July 6th	\$2,500	\$0 In kind if date gets moved
			\$85,337	\$36,426



October 31, 2012

To: Board of Directors

From: Andy Chapman, Chief Marketing Officer
Sandy Evans Hall, Chief Executive Officer

Re: Review, Input and Possible Approval of New Advertising Agency Contract

BACKGROUND

As the Board is aware, the North Lake Tahoe Marketing Cooperative recently conducted a Request for Proposal (RFP) for Advertising and Marketing Services. This process was designed to review the existing and future needs of the Coop's advertising support efforts and related qualified firms. The Coop Committee appointed a four member sub-committee to review the proposals, interview final agency candidates and bring forward a recommendation to the full Coop Committee. Two members from each partner organization were appointed to the sub-committee and included the following members:

- Davy Ratchford, Director of Marketing, Northstar California
- Les Pedersen, Director of Sales and Marketing, Resort at Squaw Creek
- Lee Weber Koch, Owner, The Right Brain Agency
- John Hernstat, Director of Sales and Marketing, Hyatt Lake Tahoe

The release date of the RFP was March 15 with qualified proposals due on April 16, 2012. Eleven qualified agencies responded to the RFP request. In late April the sub-committee met to review the 11 proposals and condensed that list to a final four. Those final four agencies presented to the committee in early June. After much discussion and debate, the Coop sub-committee presented its recommendation to the full North Lake Tahoe Cooperative Committee at its June meeting. At that meeting the full Coop Committee approved the sub-committee's recommendation. The recommendation approved by the Coop Committee is to contract with a new agency, School of Thought.

As outlined in the Agency RFP, the contracting agencies are the North Lake Tahoe Resort Association and the Incline Village Crystal Bay Visitors Bureau. Staff has worked with the new agency in the drafting of a services contract and counsels from both parties have reviewed and approved this final version.

REQUESTED ACTION

That the Board take action to approve the contract and to direct staff or a Board representative to execute the agreement.

**MARKETING SERVICES AGREEMENT FOR ADVERTISING, MARKETING, AND MEDIA SERVICES BETWEEN
SCHOOL OF THOUGHT AND THE NORTH LAKE TAHOE MARKETING COOPERATIVE**

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This AGREEMENT is effective as of the 1st day of November 2012

BETWEEN:

- (1) **School of Thought, Inc.**, a company incorporated in the State of California and having its principal place of business at 660 Market Street, Suite 300, San Francisco, CA 94104 (“Agency”); and
- (2) **North Lake Tahoe Marketing Cooperative**, a marketing cooperative created by the North Lake Tahoe Resort Association 100 North Lake Boulevard, Second Floor, Tahoe City, CA 96145 and the Lake Tahoe Incline Village Crystal Bay Visitors Bureau, 969 Tahoe Boulevard, Incline Village, NV 89451 (“Clients”).

WHEREAS:

- (A) The Client wishes to appoint the Agency to provide, and the Agency has agreed to provide strategic brand development and marketing communication services, advertising, creative, media, and direct marketing (both off and online) services to the Client and its Affiliates (as outlined in Exhibit A).
- (B) The parties have entered into this Agreement to document the terms and conditions for the provision of such services.

IT IS HEREBY AGREED as follows:

1 Definitions and Interpretation

- 1.1 In this Agreement, except so far as the context otherwise requires, the following words shall have the following meanings:

“Advertising”	means all advertising and other promotional materials produced by the Agency for the Client pursuant to a Scope of Work, a form of which is set forth in Exhibit A hereto, under this Agreement;
“Affiliates”	means in relation to the Agency, those companies, divisions or subcontractors within the Agency network that are Controlled by Agency or under common Control with the Agency that agree to provide Services from time to time; with regard to the Client, “Affiliate” means any person or entity Controlling, Controlled by or under common Control with the Client;
“Advertising Material”	means all artwork, copy, models, designs, photographs, software and all other material created pursuant to a Scope of Work by the Agency for the Advertising in connection with this Agreement by directors or employees of the Agency which is incorporated into Advertising during the term of this Agreement;
“Agency Material”	means all materials owned by or licensed to Agency prior to, or independent from, the performance of services under this Agreement, and all modifications thereof, and (ii) all generic or

	proprietary information, and all ideas, methodologies, software, applications, processes or procedures used, created or developed by Agency in the general conduct of its business including those developed during the provision of services to Client.
“Agreement”	means this agreement and all attachments, Exhibits or addendums thereto;
“Business Day”	means a weekday (not being a public holiday in the U.S.) on which banks are open for the transaction of general banking business in the U.S.;
“Commissioned Material”	means all artwork, copy, models, designs, photographs, software, films, sound recordings and all other material the creation of which is commissioned by the Agency from third parties during the term of this Agreement for the Advertising;
“Control”	means the power, direct or indirect, to direct or cause the direction of the management and policies of such entity whether by contract, ownership of shares, membership of the board of directors, agreement or otherwise and, in any event and without limitation of the foregoing, any entity owning more than 50% of the voting securities of a second entity shall be deemed to control that second entity. The terms “Controlling” and “Controlled” shall have a corresponding meaning;
“Effective Date”	means November 1, 2012
“Existing Material”	means any photograph, TV program, feature film, character, music, sound recording, performance, book, painting, software or any other material protected by Rights, created by a third party and in existence at the time it is desired to make use of it for the purposes of the Advertising;
“Moral Rights”	means any rights to claim authorship of any deliverable or other tangible work product, to object to or prevent the modification or destruction of any such deliverable or other tangible work product, to withdraw from circulation or control the publication or distribution of any such deliverable or other tangible work product, and any similar right, existing under judicial or statutory law of any country in the world, or under any treaty, regardless of whether or not such right is called or generally referred to as a “moral right”.
“Rights”	means any copyright, extended or revived copyright, design right, registered design right, patent right, performer’s property right, trade mark, database right or any similar intellectual property right exercisable in the United States;
“Services”	means the services and deliverables to be provided by the Agency to the Client set out in Exhibit A;

“Term” means the period from the Effective Date until the termination of this Agreement;

“Territory” means the United States and the Internet.

1.2 The headings in this Agreement are inserted for ease of reference only and are not to be taken into account in the construction and interpretation of this Agreement.

1.3 Unless the context otherwise requires:

1.3.1 the singular shall include the plural and vice versa;

1.3.2 references to a person include references to an individual, a firm, a body corporate, a partnership or an unincorporated association;

1.3.3 references to clauses and Exhibits shall mean the clauses in, and Exhibits attached to, this Agreement;

1.3.4 references to writing include any method of reproducing words in a legible and non-transitory form;

1.3.5 references to a statute or a statutory provision include a reference to that statute or provision as from time to time modified, extended, replaced or re-enacted;

1.3.6 references to “includes” or “including” shall mean “includes without limitation” or “including without limitation”; and

1.3.7 references to the “Parties” shall mean the parties to this Agreement.

1.4 The Exhibits shall have effect as being part of this Agreement and may be varied from time to time by written agreement between the Client and the Agency.

2 Effective Date and Term of Agreement

2.1 This Agreement shall take effect as of November 1, 2012.

2.2 This Agreement shall, subject to clause 11, shall continue for a period of three (3) years (“Initial Term”) from the Effective Date following which time the Agreement may be renewed for additional one (1) year terms (“Renewal Term”) upon mutual agreement in writing.

3 Performance of the Services

3.1 The Client has agreed to appoint the Agency, and the Agency has agreed to accept such appointment, to provide the Services to the Client and its Affiliates during the Term of this Agreement in the Territory in accordance with the terms and conditions set out in this Agreement.

3.2 Hereafter in this Agreement references to the Agency shall, where appropriate, also be deemed to refer to one or more of those Agency Affiliates that have agreed to provide

Services in accordance with this Agreement and a corresponding Scope of Work which will govern the specifics of such Agency Affiliate Services. Each obligation of the Agency shall be interpreted, unless the context requires otherwise, as an obligation on the Agency to procure the performance of the said obligation or the relevant Services in the Territory by a subcontractor, an Agency Affiliate of the Territory, or failing that, to perform the obligation itself.

- 3.3 The rights conferred in this Agreement on the Agency shall be read and construed as if they conferred also on to each Agency Affiliate, should an Agency Affiliate agree to provide Services hereunder.
- 3.4 The Agency will at all times carry out its obligations under this Agreement with reasonable skill, care and in compliance with applicable U.S. laws and regulations in the Territory and shall use all reasonable endeavors to meet and maintain the Service Levels. The Agency will ensure that its obligations under this Agreement are carried out by an adequate number of appropriately screened, qualified, trained and experienced staff. The Agency will be responsible for the Services provided by any of its staff.
- 3.5 All Advertising which the Agency creates for the Client and/or its Affiliates shall be subject to review and approval by Client and/or its Affiliates prior to such Advertising being used for the Client and/or its Affiliates.
- 3.6 The Agency shall store all Advertising for the Client pursuant to this Agreement in a safe, secure, clean and appropriate environment.
- 3.7 In the event that the Client and/or its Affiliates require any additional services and/or deliverables not set out in Exhibit A, the parties agree to negotiate in good faith with respect to the terms, conditions and compensation for those additional services. Unless otherwise agreed, any additional services and/or deliverables shall be provided by the Agency and Agency Affiliates where applicable, under the terms of this Agreement.

4 Delegation and Subcontracting

- 4.1 The Agency will be authorized to act on Client's behalf and as Client's agent in securing rights, materials and services required to execute Client's advertising and in contracting for advertising space and time in any of the media. If the Agency subcontracts or delegates, or uses any subcontractors to assist in performing, any of the Services:
 - 4.1.1 the Agency shall act in good faith and with due diligence in the selection, use and monitoring of such subcontractors;
 - 4.1.2 the Agency shall take reasonable measures to ensure that the subcontractors engaged by it in the provision of the Services shall have the appropriate qualifications, skills and experience to provide the Services;
 - 4.1.3 the Agency shall take reasonable measures to ensure that any subcontractors engaged by it to carry out its obligations under this Agreement act with reasonable skill, care and in compliance with applicable laws and regulations in the Territory and the Agency shall use all reasonable endeavors to ensure that the subcontractors engaged by it meet and maintain the Service Levels.

- 4.1.4 the Agency shall, notwithstanding such subcontracting, remain responsible for the proper performance of any Services so sub-contracted or delegated.
- 4.1.5 unless the Agency has obtained the Client's prior agreement in writing to pay for the fees of any sub-contractor the fees of such sub-contractor shall be borne by the Agency out of the fees paid to it by the Client under this Agreement; and
- 4.1.6 in no event shall the Client, unless mutually agreed to in writing, be required to pay more fees or charges than if such subcontracting or agency had not been utilized by the Agency.

5 Meeting and Reporting Requirements

- 5.1 The parties agree to review the performance of the Agency on a continuous basis, including reviewing the work carried out by the Agency against the tasks described in Exhibit A. The time, cost and effort that would otherwise have been spent on deliverables and services that the parties agree do not have to be carried out shall be reallocated to other deliverables and services as may be agreed from time to time by the Parties.
- 5.2 Upon request by the Client, the Agency shall keep the Client updated as to the status of performance of the Services and any Advertising created and stored by the Agency for the account of the Client.
- 5.3 Agency will maintain records of all financial and non-financial transactions relating to this Agreement for a period of at least three (3) years after the termination or expiration of this Agreement. In addition, Agency shall, on an annual basis, provide Client with true and complete copies of information on existing insurance coverage. Such requests by Client shall be limited to not more than twice in any calendar year.

6 Amendments

- 6.1 The Client may from time to time request the Agency to cancel or amend any work in progress. The Agency shall take all reasonable steps to do so within its contractual obligations to suppliers.
- 6.2 In the event of such cancellation or amendment, the Client will reimburse and/or assume responsibility for any irrecoverable costs which the Agency may incur in carrying out Client's instructions (including charges imposed on or costs incurred by the Agency from third parties for the cancellation or amendment), provided that the Agency shall use its reasonable endeavors to minimize the cost of such charges.

7 Fees, Expenses, and Invoicing

- 7.1 In consideration for the Services provided by the Agency, the Client shall pay to the Agency the fees and charges as set out in Exhibit B, which may be amended from time to time as agreed in writing between the parties.
- 7.2 Client shall also reimburse Agency for all out of pocket expenses incurred by Agency in connection with providing the Services hereunder. Agency shall require Client's prior written approval before incurring any such expenses greater than \$1,000.00.

- 7.3 The Agency shall invoice the Client for the provision of the Services in writing on the basis set out in Exhibit B and shall send the invoices to the Client at the Client's address set forth in this Agreement.
- 7.4 All amounts set out in this Agreement shall be exclusive of any applicable local taxes (including value added tax) which shall be invoiced and paid by the Client at the applicable rate and the manner prescribed by law from time to time, but shall be inclusive of withholding taxes.

8 Confidentiality

- 8.1 Each of the parties agrees and undertakes to each other that, during the term of this Agreement and thereafter, it will keep confidential, will use only for the purposes of providing Services under this Agreement and will not use for its own purposes nor disclose, without the prior written consent of the other party, information of a confidential nature (including, but without limitation, trade secrets or information of a commercial value) acquired from or which relates to the other party, its business, its business plans or its customers ("Confidential Information"), save that:
 - 8.1.1 it may disclose such Confidential Information where it is already in the public domain (whether at the time the recipient of the Confidential Information acquires the knowledge or it subsequently becomes public knowledge other than by breach of this Agreement);
 - 8.1.2 it may disclose such Confidential Information where it is bound to disclose it under compulsion of law or where requested by regulatory agencies; and
 - 8.1.3 it may disclose such Confidential Information to its employees, officers, agents, contractors and delegates where such information is strictly necessary for the performance of the Services under this Agreement, subject to it procuring that its employees, officers, agents, contractors and delegates are aware of, and comply with, the confidentiality obligations applicable to the Agency in this Agreement.
- 8.2 Neither party shall make any announcement of any kind in respect of this Agreement (unless required by law), including, without limitation, any form of disclosure to the news media, or any use of the name, trademark or brand of the other party or its Affiliates in any publication or website or to otherwise publicize the relationship without the prior written consent of the other party.
- 8.3 This Clause 8 shall survive the termination of this Agreement until such time as the Confidential Information reaches the public domain other than through the receiving party's breach of this Agreement.

9 Intellectual Property and Copyright

- 9.1 Subject always to the rights and restrictions of third parties, the Agency shall, upon full payment of all sums owed by Client, assign to the Client such of the Rights in the Advertising Material prepared for the Client and/or its Affiliates as may be owned or secured by the Agency and capable of assignment together with the right to exploit and enforce such Rights, and such Advertising Materials shall be the Client's property exclusively. The Agency shall also waive any Moral Rights in the Advertising Material. Preliminary art, as defined in the California Sales and Use Tax Regulation 1540, and as distinct from finished art matter, is not

a deliverable item and title remains with the Agency. Finish art, as distinct from finished art matter, is a deliverable item and shall belong to the Client as set forth above.

- 9.2 For the avoidance of doubt, the Agency retains all of its Rights, title and interest in and to (including, without limitation, the unlimited right to use) the Agency's proprietary information or other Agency Materials not prepared for the Client and/or its Affiliates pursuant to this Agreement.
- 9.3 Regarding any Commissioned Material or Existing Material, which will be incorporated into the Client's advertising, the Agency will use reasonable endeavors to obtain (at pre-agreed cost to the Client) an unconditional written assignment to the Client of all Rights in such Commissioned Material and/or Existing Material. The Agency shall notify the Client in writing of those third party restrictions that apply to the use of Commissioned Material or Existing Material in the Advertising as contemplated by the Parties pursuant to the applicable Scope of Work and Agency shall negotiate with the owner of such Rights to obtain such usage rights as determined by the Client, at pre-agreed cost to the Client.
- 9.4 The copyright in any underlying software in any electronic advertising materials is not generally assigned to the Agency and so any use by the Client of these materials will be subject to the rights of third parties and any assignment of such rights will be made only by special arrangement on terms indemnifying the Agency against subsequent claims by those third party rights owners.
- 9.5 The Client understands that the Advertising has been or will be developed and produced for use as traditional advertising and the Client agrees not to use (or permit the use of) any Advertising, creative work or any other materials or ideas supplied by the Agency (or anything incorporating or derived therefrom) as a television program, film, or other entertainment vehicle or production, or to use any of such advertising materials, creative work or any other materials or ideas (or anything incorporating or derived therefrom) outside of the agreed scope and whether or not for any revenue generating purpose, except on terms agreed upon in writing by the Agency. For the sake of clarity, Client is not restricted from using the Advertising to produce print collateral for use at trade shows, conventions, or similar events, social media campaigns, promotional products and signage, or any other use authorized by Agency.
- 9.6 Notwithstanding any of the above the Agency shall, upon obtaining the prior written consent of the Client (such consent not to be unreasonable withheld or delayed), be able during and after the Term to use the Client's Advertising (after first publication, broadcast or transmission on behalf of the Client) for the purpose of promoting its own business by means including but not limited to a show reel of the Agency's commercials, on the Agency's own web site and for purposes associated with the entry and conduct of advertising industry awards schemes.

- 9.7 Any and all unused or unpublished materials, strategic plans, concepts, ideas and materials, which are rejected and/or have not been paid for by Client shall remain the Agency's property.
- 9.8 The Agency will use reasonable safeguards to keep in its care materials entrusted to it by the Client. The Agency will mark or otherwise identify such property as being the property of the Client and will be responsible for its safekeeping. The Agency shall not be entitled to destroy property entrusted to it by the Client without the Client's prior consent

10 Warranty, Indemnity and Extent of Liability

- 10.1 Each of the parties warrants and undertakes with the other that:
 - 10.1.1 it is duly organized and validly existing and qualified to do business under the laws of its jurisdiction of incorporation; and
 - 10.1.2 it has full power and authority (including under the laws of its jurisdiction of incorporation) to enter into this Agreement and to lawfully perform its duties and obligations under this Agreement.
- 10.2 The Agency warrants and undertakes that during the term of this Agreement:
 - 10.2.1 to the best of its knowledge and belief it holds all necessary licenses, permissions and authorizations required to carry out lawfully its duties and obligations under this Agreement and will use its best endeavors to continue to hold all such licenses, permissions and authorizations;
 - 10.2.2 it will promptly notify the Client in the event that this changes; and
 - 10.2.3 it will comply with all applicable U.S. law and regulations in the performance of the Services in the Territory.
 - 10.2.4 EXCEPT AS STATED IN THIS SECTION, AGENCY MAKES NO WARRANTIES HEREIN AND HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO, PATENTS, WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE.
- 10.3 The Agency shall defend, indemnify and hold the Client and its Affiliates, employees, officers and directors harmless from and against any losses, costs, damages and expenses which may be incurred by the Client and/or its Affiliates, employees, officers and directors as the result of any claim, suit or proceeding brought or threatened against the Client and/or its Affiliates, employees, officers and directors by a third party arising out of or related to: (i) the authorized use of the Advertising or Advertising Material as supplied to the Client by the Agency or its Affiliates and set forth in the applicable Scope of Work; (ii) the infringement by the Agency of any intellectual property rights of the Client or its Affiliates where Agency's use of Client or its Affiliate materials was not authorized by Client or its Affiliates; (iii) the authorized use of by Client of any Commissioned Material and/or Existing Material pursuant to clause 9.3; (iv) a breach, by the Agency or any of its Affiliates, of any applicable U.S. law or regulation in the Territory; (v) claims brought by the Agency's or its Affiliates' employees for employment discrimination, other employment or labor disputes, breach of contract, personal injury or other civil law matters, and (vi) any breach by the Agency of the representations and warranties contained in Section 10 of this Agreement. The foregoing

Agency indemnity shall not apply to the extent that the same arises as a result of or due to: a) the negligence, willful misconduct or breach of this Agreement by the Client, b) material or information supplied by Client to Agency, c) the material created by Agency being substantially changed by Client, d) Client's obligations in 10.4.4 or e) a patent claim.

10.4 Client represents and warrants that:

- 10.4.1 to the best of its knowledge the information concerning its organization, products, services or industry which Client furnishes to Agency shall be accurate, complete, non-infringing and in compliance with any information, disclosure or requirements which are imposed upon Client as a result of any law or regulation;
- 10.4.2 it shall review all materials prepared by Agency under this Agreement to confirm that descriptions and representations, direct or implied, with respect to Client's organization, products and services are accurate and supportable and that such descriptions and representations are in compliance with all legal and regulatory requirements. Client shall furnish Agency with adequate substantiation for all such descriptions or representations as Agency may reasonably request;
- 10.4.3 it shall be responsible for the final decision to use any trade mark contained in or used independent of any Advertising based on its independent evaluation of the scope and level of trade mark investigation that the Client deems appropriate or which it instructs the Agency to carry out on its behalf and the Client shall be responsible for deciding whether to file for and actually submitting any filing for such trade mark registrations.
- 10.4.4 Client will defend, indemnify and hold Agency and/or its Affiliates harmless against any and all losses, costs, damages, and expenses (including reasonable legal fees and expenses and costs or disbursements incurred by or paid by the Agency and/or its Affiliates as the result of any claim, suit or proceeding brought or threatened against the Agency and/or its Affiliates by a third party relating to: (i) false, deceptive, or misleading description, depiction or comparison of the product(s) or service(s) of Client (and/or its Affiliates) and/or any competitive product(s) or service(s) or otherwise relating to the effectiveness, nature, quality or content of the Client (and/or its Affiliates) products and/or services (ii) the use by Agency and/or its Affiliates of material, information or data furnished by or at the direction of Client and/or its Affiliates, (iii) misappropriation of ideas presented by third parties to Client, and/or its Affiliates which the Client and/or its Affiliates presents to the Agency as its (or their) own, and (iv) use by Client and/or its Affiliates of materials supplied by Agency and/or its Affiliates in a manner inconsistent with agreements with third parties that Agency has communicated to Client.
- 10.4.5 Agency is signatory to collective bargaining agreements with Screen Actors Guild ("SAG"), the American Federation of Television and Radio Artists ("AFTRA") and the American Federation of Musicians ("AFM"), which agreements provide for Agency to be ultimately liable to performers for payments that may become due because of use of commercials or other materials produced under such agreements by Agency for Client. Therefore, Client will defend, indemnify and hold Agency harmless against any Loss Agency may sustain resulting from any claim, suit or proceeding made or brought against Agency for use of any Agency - produced commercials or elements thereof when such use is made by Client, Client's dealers or agents, or by anyone else who

obtains materials from Client, when such claim, suit or proceeding relates to Agency's obligations under any of the aforementioned collective bargaining agreements.

- 10.5 Upon the assertion of any claim or the commencement of any suit or proceeding against an indemnitee by any third party that may give rise to liability of an indemnitor hereunder, the indemnitee shall promptly notify the indemnitor of the existence of such claim and shall give the indemnitor a reasonable opportunity to defend and/or settle the claim at its own expense and with counsel of its own selection. To the extent permitted by law or regulations, the indemnitee shall make available to the indemnitor all books and records relating to the claim, and the parties agree to render to each other such assistance as may reasonably be requested in order to ensure a proper and adequate defense. An indemnitee shall not make any settlement of any claims, which might give, rise to liability of an indemnitor hereunder without the prior written consent of the indemnitor.

11 Term and Termination

This Agreement and the appointment of the Agency under this Agreement shall continue for a period of three (3) years ("Initial Term") from the Effective Date following which time the Agreement may be renewed for additional one (1) year terms ("Renewal Term") upon mutual agreement in writing. Either party may terminate this Agreement or any SOW, for any reason or no reason, upon ninety (90) days written notice to the other.

- 11.1 Notwithstanding clause 11, this Agreement may be terminated by the Client or the Agency with immediate effect from the time at which a termination notice in writing is given by either party to the other party if:

the other party has committed a material breach of its obligations under this Agreement (whether or not, for the avoidance of doubt, such breach would otherwise be a repudiatory breach) and (where such breach is capable of remedy) fails to remedy such breach within 10 days after receiving a written notice to do so;

- 11.1.1 an order has been made or an effective resolution passed for the liquidation of the other party (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously approved in writing by the first party);
- 11.1.2 a receiver or similar officer has been appointed in respect of the other party or of any of the other party's assets or the other party becomes subject to an administration order;
- 11.1.3 the other party enters into an arrangement with its creditors or any of them or the other party is or is deemed to be unable to pay its debts; or
- 11.1.4 the other party ceases or threatens to cease to carry on its business or substantially the whole of its business or makes or threatens to make any material alteration to the nature of its business as carried on at the date of this Agreement.
- 11.2 If this Agreement is terminated for any reason, then any contract that Agency has entered into with talent, shall, simultaneously on the effective date of such termination, be automatically assigned to Client or to Client's agent. Client shall assume all of the rights and obligations under such contracts arising thereafter and Agency shall be relieved of any further responsibility or liability with respect thereto. Client shall defend, indemnify and hold Agency harmless from and against any loss, cost, liability or damage (including

reasonable attorneys' fees and costs) resulting from any claim, suit or proceeding made or brought against Agency based upon a claim arising after the assignment of such contract.

- 11.3 Any termination of this Agreement shall be without prejudice to any claim by either party against the other for any breach of the terms hereof committed prior to such termination.

12 **Status During Notice Period**

- 12.1 The rights, duties and responsibilities of both parties shall continue in full force during the period of notice set forth in section 11, including Agency's responsibilities with respect to ordering and billing of all advertising in media whose closing dates or broadcast dates fall within such period and Client's responsibilities with respect to making payments in accordance with the terms hereof, including payment of Agency fees and charges.

13 **Liability**

- 13.1 Except with respect to the indemnity obligations of each party as set forth in Section 10, the aggregate liability of Agency during the Term for any physical loss of or damage to the tangible property of Client which directly results from Agency's default shall in no event exceed \$500,000 (five hundred thousand dollars).
- 13.2 Except with respect to the indemnity obligations of each party as set forth in Section 10, the aggregate liability of each party to the other for all defaults occurring during the Term shall in no event exceed a sum equal to 100% of the total of fees paid or payable under this Agreement.
- 13.3 Neither party excludes or limits liability to the other party for death, personal injury or fraud.

14 **Liability Following Termination**

Upon expiration of the period of notice, all continuing rights and obligations under this Agreement shall cease, with the following exceptions, as set forth in this section 14.

1. Any non-cancellable or non-transferable contract made on Client's authorization and still existing at the expiration of the period of notice, shall be carried to completion by Agency and paid for by Client in accordance with the provisions of this Agreement unless mutually agreed in writing to the contrary. Agency shall notify Client of any contracts in progress that have not been carried to completion. Client shall assume full responsibility and liability therefor, including all outstanding obligations to third parties thereunder, and Client agrees to indemnify Agency against any claims, expenses, costs or liabilities arising therefrom.
2. Any materials, services, etc., which Agency has committed itself to purchase on Client's account pursuant to Client's written approval (or any uncompleted work previously approved by Client either specifically or as part of a plan) shall be paid for by Client in accordance with the provisions of this Agreement.
3. As soon as practicable after the effective date of termination, Agency will render to Client an invoice for all amounts then payable by Client hereunder. Client agrees to pay such invoice, less any reasonably disputed portion, within

thirty (30) days after receipt.

Client agrees to notify Agency in writing within 5 days of the receipt of invoices of any disputes along with a written description of the dispute in reasonable details. If such written notice is not received within 5 days of the receipt of the invoice, such invoice will be deemed to be undisputed. Client will pay disputed invoices within five (5) days of the settlement date.

Termination will not affect accrued rights, indemnities, existing commitments or any contractual provision intended to survive termination. The provisions of clauses 5, 7, 9, 10, 11, 15, 23 and this clause 14 shall continue to apply notwithstanding termination of this Agreement.

15 Consequences of Termination

- 15.1 In the event of termination of this Agreement, the Agency shall, upon payment by Client pursuant to this Agreement, promptly return or procure the return to the Client of all documents, materials and goods belonging to the Client by sending them to the Client's address set out in this Agreement or to such other address and in such other manner as the Client may direct.

16 Notices

- 16.1 Any notice, consent or other communication required to be given by either party to the other under this Agreement shall be made in writing and delivered by confirmed facsimile transmission, by commercial courier or overnight delivery service, confirmed electronic mail, or by certified mail, and in each instance will be deemed given upon receipt. All notices will be sent to the addresses set forth below or to such other address as may be specified by either party to the other in accordance with this Section 16 or a fully executed Scope of Work.

Agency:

School of Thought, Inc.,
Suite 300
600 Market Street
San Francisco, CA 94104
Attention: Joseph Newfield
Partner and Creative Director

with a copy to:

Richard Henderson, Counsel
2920 McGregor Drive
Frisco, TX 75033-8035

Clients:

Andy Chapman
Chief Marketing Officer
North Lake Tahoe Resort Association
100 North Lake Boulevard, Second Floor, Tahoe City, CA 96145

Bill Hoffman
Executive Director
Lake Tahoe Incline Village Crystal Bay Visitors Bureau
969 Tahoe Blvd, Incline Village, NV 89451

with a copy to:

D. Geno Menchetti
Attorney at Law
683 Cristina Drive
Incline Village, NV 89451

17 Assignment

Neither party shall assign its rights or obligations under this Agreement without the prior written consent of the other Party. Consent shall not be unreasonably withheld. Notwithstanding the foregoing, each party will have the right in its sole discretion to transfer or assign its rights or obligations under this Agreement (in whole or in part), upon the provision of written notice to the other party to: (i) any Affiliate; (ii) a direct or indirect purchaser of, or successor entity to, all or substantially all of the capital stock or assets of such party, or a subsidiary of, or line of business associated with, such party; or (iii) an entity or any Affiliate of an entity with which such party, or any entity that holds a controlling interest in such party, consolidates or merges; provided that such assignee shall agree to be bound by this Agreement.

In the event of a default by any Affiliate, purchaser, successor entity or assignee, the assigning party shall remain principally responsible for payment to the other party.

18 Force Majeure

18.1 Neither party will be liable to the other party for any delay or non-performance of its obligations under this Agreement to the extent it arises from a Force Majeure Event subject to the affected party:

18.1.1 promptly notifying the other party in writing of the cause of the delay or non-performance and the likely duration of the delay or non-performance; and

18.1.2 using its best endeavors to limit the effect of the delay or non-performance on the other party.

18.2 If performance is not resumed within 30 days after the occurrence of the Force Majeure Event, the Client may terminate this Agreement immediately by written notice to the Agency.

18.3 For the purpose of this clause, a "Force Majeure Event" means any event which affects the performance by a party of its obligations under this Agreement and arises directly from an act of God, local government or government, war, fire, flood, earthquake or storm, acts of terrorism, explosion, civil commotion or industrial dispute affecting a third party (for which a substitute third party is not readily available). Both parties acknowledge a duty hereunder to mitigate the circumstances or the effect of the circumstances relating to any such Force Majeure Event.

19 No Partnership

- 19.1 Nothing in this Agreement or in any document referred to in it or any arrangement contemplated by it shall constitute any party a legal partner of the other, nor shall the execution, completion and implementation of this Agreement confer on any party any power to bind or impose any obligations to any third parties on the other party or to pledge the credit of the other party, except as specified herein.

20 Variation and Waiver

- 20.1 No variation of this Agreement shall be effective unless it is in writing signed by duly authorized representatives of both parties.
- 20.2 No waiver of any term, provision or condition of this Agreement shall be effective unless it is in writing and signed by the waiving party.
- 20.3 No failure to exercise nor any delay in exercising any right or remedy hereunder shall operate as a waiver thereof or of any other right or remedy hereunder, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy.
- 20.4 The waiver of any term, provision or condition of this Agreement on any occasion shall not constitute a waiver of:
- 20.4.1 any other term, provision or condition of this Agreement; or
- 20.4.2 such terms, provisions or conditions of this Agreement on any future occasion.

21 Entire Agreement and Severance

- 21.1 The parties to this Agreement confirm that this Agreement represents the entire understanding, and constitutes the whole agreement, in relation to its subject matter and supersedes any previous agreement between the parties with respect thereto and, without prejudice to the generality of the foregoing, excludes any warranty, condition or other undertaking implied at law or by custom to the full extent permitted by law.
- 21.2 Each party confirms that:
- 21.2.1 in entering into this Agreement it has not relied on any representation or warranty or undertaking which is not contained in this Agreement; and
- 21.2.2 EXCEPT WITH RESPECT TO THE INDEMNITY OBLIGATIONS OF EACH PARTY AS SET FORTH IN SECTION 10, NEITHER PARTY SHALL BE LIABLE TO THE OTHER, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT OR OTHERWISE, FOR ANY LOST PROFITS, BUSINESS INTERRUPTION, OR FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, EXEMPLARY OR PUNITIVE DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LIABILITY.
- 21.3 In the event that any provision of this Agreement shall be void or unenforceable by reason of any provision of applicable law, it shall be deleted and the remaining provisions hereof shall continue in full force and effect and if necessary, be so amended through mutual written

agreement by the parties as shall be necessary to give effect to the spirit of this Agreement so far as possible.

22 Counterparts

- 22.1 This Agreement may be executed in any number of counterparts and by the parties to it on separate counterparts, each of which when so executed and delivered shall be an original, but all the counterparts shall together constitute one and the same instrument.

23 Arbitration

- 23.1 Subject to Section 23.2, any controversy or claim between the parties arising out of or related to this Agreement, its application, interpretation or termination, will be resolved by final and binding arbitration as defined in each region. Such arbitration will be administered in accordance with Nevada Revised Statutes.
- 23.2 The parties will not be bound by the arbitration provision set forth in Section 23 in the event a third party has initiated litigation in a forum other than AAA arbitration and there is a dispute between the parties relating to the indemnification obligations under Section 10 with respect to such claim.

24 Non-Solicitation of Employees

Client agrees that it will not, during the term of this Agreement or for six (6) months after expiration or termination, solicit, employ, contract or otherwise use in any way any person who was an employee of Agency while this Agreement was in effect.

25 Law

- 25.1 This Agreement will be governed by and construed in accordance with the laws of the State of Nevada, without regard to or application of choice of law rules or principles. If any provision of this Agreement is for any reason found to be unenforceable, the remainder of this Agreement will continue in full force and effect, and the provision affected will be construed so as to be enforceable to the maximum extent permissible by law.

IN WITNESS WHEREOF this agreement has been duly executed by the parties.

North Lake Tahoe Resort Association

By: _____

Name: _____

Title: _____

Date: _____

School of Thought, Inc.

By: _____

Name: _____

Title: _____

Date: _____

Lake Tahoe Incline Village Crystal Bay Visitors Bureau

By: _____

Name: _____

Title: _____

Date: _____

Exhibit A: Scope of Work Number 1

1. GENERAL

(a) Term.

This Scope of Work shall commence on November 1, 2012 and shall end on June 30, 2013. Agency and Client shall mutually agree on additional Scopes of Work and a revised annual fee at least thirty (30) days prior to the expiration of the Term of any Scope of Work and each subsequent twelve-month period thereafter ("Term Year"). For each Term Year, the fee will be billed monthly and earned as billed for the Term Year. In the event that a revised annual fee for the new Term Year is not agreed upon by the end of the then-current Term Year, then Agency shall continue to bill and Client shall continue to pay the prior Term Year's Monthly Fee until an annual fee for the new Term Year is mutually agreed upon, at which time it shall be applied retroactively to the beginning of the new Term Year, and Agency shall issue an invoice or credit, as applicable, for the difference.

(b) Staffing

Agency shall not remove any personnel assigned to this Scope of Work's Staffing Plan without the consent of Client. Client retains the right, for any reason, to request the removal of personnel identified in Staffing Plan at any time on not less than one (1) business day notice to Agency following a discussion with Agency as to Client's concern. Agency shall use best efforts to replace individual as soon as reasonable and shall modify monthly retainer so as to not invoice Client for any position that is unfilled.

(c) Reporting and Reconciliation.

The parties agree that within thirty (30) calendar days after each calendar quarter end, Agency shall conduct a Quarterly Business Review (QBR) with the Client to review previous quarter's work, status of on-going and planned work, program financials (estimates vs. actuals), billings, and reconciliations of Staffed Resources. At approximately half-year and annual points in relationship, Client and Agency will review staffing levels and work load to evaluate whether it is appropriate to make any adjustment to Staffed Resources. Client and Agency shall negotiate in good faith any amendment to be made to these resources.

During the term of this SOW, Agency shall proactively track, monitor, and report the number of additional/incremental rounds per project (e.g. email production, banner production). Agency shall communicate to Client regularly the status of each project as well as giving clear and cogent messaging on those projects that may enter or will enter 'additional/incremental' rounds. Agency shall track and provide the reason/rationale for each additional/incremental round.

(d) Process Improvement.

Where applicable, Agency shall recommend to Client industry best practices to improve quality and efficiency and/or reduce costs.

2. SERVICES / DELIVERABLES

Agency shall provide services, as described in Exhibit A, Schedule 1, 2012-2013 Services using the resources outlined in Exhibit A, Schedule 2, Staffing Plan.

3. FEES AND INCENTIVE SUMMARY

(a) Retainer.

Effective November 1, 2012 and continuing on the 1st day of each month through June 2013, Client agrees to pay Agency a monthly retainer fee as outlined in Exhibit B.

The fees for each month shall be referred to as the "Monthly Fee". Both Monthly Fees and Annual Fees shall be adjusted to reflect increases in Client's marketing budget prior to the effective date of each annual Scope of Work.

Agency may be further compensated by project-based fees to be outlined in estimates that are approved in writing prior to any work completion.

Exhibit A Schedule 1: 2012-2013 Services

1. GENERAL SCOPE OF SERVICES

The Agency will provide those services customarily performed by a full-service advertising agency. These services will include marketing and advertising, image/brand promotion, print, broadcast, collateral production, internet marketing, Web development, media planning and placement, professional consulting and other services necessary to develop a maximum of six (6) campaign concepts, four banners, two videos, and three radio advertisements. Such services may also include:

- Advertising: Agency will create and/or place advertising in print and electronic media that reflects an appropriate image of North Lake Tahoe
- Media buying and trafficking: Agency will develop partnerships and promotions with other clients and/or media outlets, which drive maximum exposure at minimum cost to the NLTMC.
- Production: Agency will oversee commercial production through to completion (conceptualization, production and trafficking to select media outlets) whether that capability is proposed as an in-house arrangement or as a sub-contractor arrangement.
- Account Management: Agency will provide a full range of creative and account management activities. Agency must provide be familiar with many applications of advertising and design, e.g. commercial production, media buying/placement, direct mail, point of purchase, signage, etc.
- Brand Development: Agency must assist in the further development and evolution of the North Lake Tahoe brand identity. Agency to assist in the consistency of the North Lake Tahoe brand message throughout all forms of consumer marketing programs
- Electronic Production: Agency must produce and reproduce high quality commercial productions including but not limited to cable TV, broadcast TV, radio, email broadcasts, and database communications
- Print Production: Agency must produce and reproduce high quality print advertising for newspapers and magazines. This may include digital output, web and offset production
- Graphic/Website Design: Agency will design and produce brochures, reports, advertising materials, website development, direct mail materials, and miscellaneous promotional materials. These designs will maintain graphic integrity and continuity with the overall image and brand of North Lake Tahoe
- Market Research: Agency will assist in the development and implementation of various market research programs designed to provide insight into the effectiveness of the advertising and marketing campaigns
- New Initiatives: Agency will advise the NLTMC on appropriate advertising and marketing opportunities that will help communicate the North Lake Tahoe brand message to targeted audiences
- Other Services: Agency will advise on other related communication, advertising and public relations matters, as requested by the NLTMC

Exhibit A, Schedule 2: Staffing Plan

Staffing Plan for the Period of: November 1, 2012 through June 30, 2013

Resource	Role/Title	Blended Rate
Joe	Managing Partner/Creative Director	\$170.00
Tom	Managing Partner/Creative Director	\$170.00
Maida	Account Management	\$170.00
Nick	Media Director	\$170.00
Art Director	Art Direction	\$170.00
Account Coordinator	Account Management	\$170.00
Project Manager	Project Management/Production Management	\$170.00
Writer	Content	\$170.00
Media Coordinator	Media Purchase/Placement	\$170.00
Developer	Website maintenance	\$170.00

Exhibit B: Fees, Expenses, and Billing

1. **FEES.** Client agrees to pay Agency the following fees for services delivered under Scope of Work Number 1:

Maximum Hours	Blended Rate	Total Scope of Work Number 1 Fee	Monthly Payment
1412	\$170.00	\$172,000.00	\$21,500.00

2. **EXPENSES.** In addition to the fee and in accordance with Section 7 of Agency Agreement, Client shall pay to Agency the following:

- (a) **Media Costs.** Client shall pay Agency the Media Cost in respect of all pre-approved media purchases.

- i. Agency shall charge an 11% commission on the gross purchase costs of all digital or “on-line” media and a 5% commission on the gross purchase costs of all traditional media.
- ii. Unless local custom or practice request faster payment, Client shall pay invoices relating to Media Costs, fees and other costs referred as follows:
 - 1) The Client shall comply with the payment terms as notified to Client by Agency in advance; and
 - 2) For fees and all other costs and expenses associated with media purchases all invoices shall be payable upon receipt of invoice.

- (b) **Production Costs.**

- (i) Agency’s Monthly Fee will include the costs necessary to develop and produce a maximum of six campaign concepts, four banners, two videos, and three radio advertisements. Production costs for additional campaign concepts will be treated as additional costs and charged separately.

- (c) **Compensation and Charges for Collateral Material.** All collateral material, including, but not limited to, printed poster papers, outdoor banners and displays, window displays, counter displays, booklets, leaflets, broadsides, labels, package designs and any other similar material prepared at Client’s request, Agency’s charges will be as follows: where such material is produced or prepared by Agency at Client’s request, Agency will bill Client for the net cost of all production costs incurred in the production of all collateral materials, including the net cost for printing and manufacture of such collateral material. In addition, Agency will also charge a 10% project fee for any collateral material produced by Agency which project fee will be estimated in advance and submitted to Client for approval prior to production.

- (d) **Out-of-Pocket Expenses.** All necessary incidental expenses incurred for Client’s account in connection with Agency’s rendition of services and performance of duties hereunder, including, but not limited to: materials for creative development; comps; illustrations and storyboards; cost of conducting focus groups; travel, lodging & business meals; video cassettes; DVD-ROMs; CD-ROMS; reference material; slides and slide film; shipping and postage; media clipping services; competitive monitoring; other administrative costs; messenger/delivery charges; telephone, telefax and telegraph charges; import duties and other custom-house charges; and other expenses incurred by Agency at Client’s special request will be charged to Client at Agency’s cost.

- (e) Studio. Notwithstanding anything in this Agreement, in instances in which Agency has an in-house studio any material or services, which are prepared or supplied by an Agency utilizing such in-house studio, will be billed to Client at the rate card in accordance with Agency's then current rates.
- (f) Surveys, Research, and Analyses. All surveys, research, and analyses will be charged to Client in an amount to be mutually agreed upon in writing in advance of the commencement of work.
- (g) Talent Payments.
 - (i) Agency's expenditures and costs for talent fees, testimonials and releases (including talent re-use payments, union fees and travel) will be billed to Client at Agency's out-of-pocket cost.
 - (ii) If Agency handles payments and records for taxes and withholdings on payments to talent, Client will reimburse Agency at cost for out-of-pocket expenses paid including employer taxes on payroll and other employer payments required by law. If Agency arranges for talent payments to be made through a third party retained by Agency, Client will reimburse the Agency for out-of-pocket expenses incurred or paid for employer taxes on payroll and other employer payments required by law plus the handling fee charged by any third party retained by the Agency to make such payments and maintain such records.
 - (iii) Client acknowledges and agrees that Agency is or may become a signatory to certain union or guild agreements (the "Union Agreements"), including the Screen Actors Guild Commercials Contract and the American Federation of Television and Radio Actors Commercials Contract, governing the hiring and use of performers in commercial materials and that the production and use of commercial materials produced by Agency on Client's behalf therefore will be subject to the terms and conditions of these Union Agreements.
 - (iv) Client will be responsible for paying Agency all amounts that may be due pursuant to these Union Agreements.

3. BILLING.

- (a) Agency Fee. Agency shall invoice its Monthly Fee on the last day of each month and Client shall pay such invoice within thirty days (30) days of its receipt thereof.
- (b) Media Billing. The parties agree to the following billing and payment procedures:
 - (i) Media Billing. All fees and all other costs and expenses associated with media purchases shall be payable within thirty (30) days of Client's receipt of any invoice for such purpose.
- (c) Other Expenses. Invoices for all other expenses shall be paid by Client within thirty (30) days of its receipt thereof and shall itemize Agency's direct, out-of-pocket expenses incurred during the relevant period, including expenses for travel, messengers, postage and/or entertainment.
- (d) Adjustments to Estimates. Agency shall advise Client at the earliest time practicable of likelihood that costs may exceed the Agency's estimate for such work. Agency shall seek Client's approval if incurred expenses are anticipated to exceed 10% of an approved estimate.
- (e) Disputed Amounts. In the event that there is a dispute regarding any Agency invoice, Client agrees to pay the undisputed amount and to withhold only the amount that is in

dispute. Written notice of any disputed amount must include a description of the dispute in reasonable detail and must be provided to the Agency within five (5) days following invoicing, or invoiced amounts shall be deemed undisputed.

- (f) Timeliness of Payments. Agency reserves the right in case of delinquency of Client's payments or such impairment of Client's credit as Agency deems might endanger future payments, to propose changes the requirements as to terms of payment under this Agreement. Such changes shall require mutual agreement in writing to take effect. Should Client be in default with respect to payment under this Agreement, Agency reserves the right to suspend some or all services hereunder until arrangements satisfactory to the Agency are made.
- (g) Taxes. Client shall be solely responsible to pay all taxes invoiced to Client by Agency while a project is 'open', however designated and of whatever nature, that are levied or imposed by reason of the transactions contemplated by this Agreement, including, without limitation, all sales, use, transfer, privilege, VAT, excise and other taxes, duties or surcharges, whether international, national, state or local, excluding, however, taxes based on Agency's net income. Agency shall not be liable for, and Client shall hold harmless and indemnify Agency against, liability for all such taxes, duties and/or surcharges for any open project. Once a project is closed and paid in full, Client shall not be liable for, and Agency shall hold harmless and indemnify Client against, liability for such taxes, duties and/or surcharges levied in connection with a closed project.
- (h) Substantial Commitments. Client understands and agrees that the billing and payment terms herein shall be subject at all times to Agency's normal client credit review evaluation. Since Agency may in some circumstances be required to make substantial commitments on behalf of Client, it is understood that Agency reserves the right in any such circumstances to require full or partial payment prior to commitment, or such other arrangements assuring payment as are in the judgment of Agency appropriate or advisable under the circumstances.



November 2, 2012

Subject: Membership Update

From: Deanna Frumenti, Membership Manager

Decisions and Considerations:

- No decision is being requested from the Board
- Staff will provide an oral status report at the meeting

2012 October Membership Update:

For the month of October we had 7 new members:

Gensburg & Sons, Inc.
Mountain Lake Cleaning
Lake Tahoe Delivery
Chalet de Huttlinger
The Reel School of Fly Fishing and Guide Service
Brown & Associates, Inc.
High Fives Non-Profit Foundation

0 write-offs

8 renewing members:

Waters of Tahoe Properties
Mountain High Weddings
Lake Tahoe Lock shop
Maris Camp Club
Cal Neva
Timber Cove Lodge
Tahoe TV

October Focus

This October the focus was on providing businesses listed in the Business Directory (outside of the Placer County or Incline Village areas) a chance to become members. The deletion deadline for non-members outside of Placer County or Incline Village is November 1, 2012. Another focus was prospecting winter services and activities. The business owners and I discussed membership and the advantages of the Winter Expo.

Interesting Discussions

Most conversations revolved around politics and snow. The recent snow storm left locals wondering what kind of a snow year we will have. Winter businesses are spending less on marketing and are being more financially conservative in hiring and business practices.

Business Directory

Non-members outside of Incline Village and Placer County began being deleted from the Business Directory as of November 1, 2012. The remaining non-members will remain on the Business Directory for prospecting until January 1, 2013.

The Official Visitor Information Guide Winter Edition

The final edits have been made to the Official Visitor Information Guide winter edition and Tahoe Quarterly is working to try to complete the guide for distribution by November 15, 2012.

2012 Winter Expo

The 2012 Winter Expo will be held at Squaw Valley at the Olympic Valley Lodge on November 15, 2012 from 4:00pm-8:00pm. Members may now purchase a booth for as low as \$100.

Business Association and Chamber Collaborative

The first meeting of the Business Association and Chamber Collaborative (BACC) will be on November 14, 2012 and will be discussing community marketing grants. After the November meeting, the BACC will meet every other month.



Membership Committee – Business Association and Chamber Collaborative

Due to concerns expressed by Membership Advisory Committee Members, the Chamber has evaluated the current focus of the Membership Advisory Committee. It may be of more value to the community of North Lake Tahoe to become a Business Association and Chamber Collaborative to work together to help the businesses of North Lake Tahoe thrive. The primary functions of the Collaborative are to allocate Marketing Grants and collaborate on events, calendars, opportunities and programs.

Primary Functions

1. Marketing Grant allocation and ROI
2. Event Calendar collaboration
3. Program collaboration & opportunities
 - a. Wage and Salary Survey
 - b. Visitor Guide/Map revisions; Visitor Center programs
 - c. Gift Certificate program
 - d. Education programs
 - e. Regional event promotion and ancillary activities
 - f. Advocacy issues
 - g. Gateway Lighting
 - h. Night Rider
 - i. Skier Shuttle
 - j. Special event grants
 - k. Shop Local
 - l. Winter/Summer promotions
 - m. Sidewalk sales
4. Proposed Meeting Schedule: every other month
 - a. November 14th/May 8th – Marketing Grant cycles
 - b. March/September – Events Calendar collaboration, VG/Map revisions
 - c. January/July – Program collaboration
5. Bi-Monthly Update - Communication piece
6. Agendas
 - a. Keep the CEO updates
 - b. Time limits for agenda items
 - c. Meeting duration 1.5 hours - 2 hours maximum



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Supplemental Operating Procedures and Policies

Updated November 2012

Deleted: December 2011

Introduction

This document establishes or provides additional information concerning operating procedures and policies for the North Lake Tahoe Resort Association, a 501(c)(4) non-profit public benefit corporation. The information contained herein is supplementary to the operating procedures and policies set forth in the NLTRA's adopted Bylaws and other documents and agreements which establish procedures and policies. The NLTRA's Bylaws were most recently updated by action of the Board of Directors in December 2007.

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North Lake Tahoe Resort Association Committees

Definition of Committee Responsibilities and Membership

As of the publication date of this document, the NLTRA has six standing committees (Joint Capital Investment/Transportation, Marketing, Membership Advisory, Lodging, Finance, Conference Sales Committee, and Wedding Committee.) There is also a Special Events Task Force and other task forces as needed. The NLTRA Board annually appoints an Elections Committee, whose function is to organize and conduct the annual Board Election. Additionally, the Board appoints members to serve on the Cooperative Marketing Committee (CMC) as part of its agreement with the Incline Village Crystal Bay Visitors Bureau (IVCBVB) to fund and implement the North Lake Tahoe Marketing Cooperative. The Joint Capital Investment/Transportation Committee is contractually designated by Placer County and will continue in its current form with restructuring planned for 2011/2012 by NLTRA Board and County CEO.

An Executive Committee of the NLTRA Board will meet monthly with the CEO/Executive Director to go over contracts, agendas, staffing and other issues of importance. Members of the Executive Committee consist of all current officers and Past President if he/she is willing.

Each NLTRA committee and subcommittee includes members of the NLTRA Board, as well as community or business members. The membership of each committee/subcommittee is defined below.

Standing Committees

Capital Investment Committee

The role of the Capital Investment Committee is to provide input and direction to staff and to advise the NLTRA Board on any and all matters pertaining to infrastructure planning, budgets and projects. Committee responsibilities include the consideration of infrastructure project applications. Following such consideration, Committee recommendations are submitted to the NLTRA Board of Directors for consideration and action. The annual NLTRA-Placer County Agreement defines which infrastructure project expenditures approved by the NLTRA Board must be submitted to the Placer County Board of Supervisors for final consideration and approval.

Committee Membership

Consistent with terms of the annual NLTRA-Placer County Agreement, there are a total of 12 members of the Infrastructure Committee. In addition to appointed NLTRA Board members, committee membership includes interested members of the community who have expertise and/or interest in infrastructure development and projects. Six of the twelve members are appointed by the NLTRA Board (including Board representatives)