

## **AMENDATORY AGREEMENT NO. 2 to City of Salem Agreement No. 056189**

between the City of Salem, an Oregon municipal corporation ("City") and the Salem Convention and Visitors Association, *dba*, "Travel Salem" ("Contractor") for the project known as "Tourism Marketing and Visitor Services Contract," (aka "Contract").

In consideration of the mutual benefits and obligations set forth herein, the parties agree as follows:

1. Section 3 of the Contract is amended as set forth below (underline indicates new text, and ~~strikeout~~ indicates deleted text):

### **Section 3. City's Obligations.**

**3.1.** City shall recognize Contractor as its official Destination Marketing Organization providing tourism, marketing and visitor services on behalf of City.

**3.2.** Subject to the requirements of the Salem Revised Code, the City shall allocate 25% of the current fiscal year total net receipts of Transient Occupancy Tax to Contractor.~~City shall allocate an amount of Transient Occupancy Tax funds~~ in its budget for each fiscal year for tourism, marketing, and visitor services which, subject to Section 3.4, shall form the basis of City's payment obligation to Contractor. The City shall pay the budgeted amount of Transient Occupancy Tax funds to Contractor in quarterly installments, according to the following schedule:

#### **Fiscal Year 2017-2018**

<u>July 31, 2017</u>	<u>25% of City's budgeted total net receipts of TOT for the fiscal year.</u>
<u>September 30, 2017</u>	<u>25% of City's budgeted total net receipts of TOT for the fiscal year.</u>
<u>December 31, 2017</u>	<u>25% of City's budgeted total net receipts of TOT for the fiscal year.</u>
<u>March 31, 2018</u>	<u>25% of City's budgeted total net receipts of TOT for the fiscal year.</u>

On or before August 30, 2018, the City shall provide Contractor a reconciliation of actual net receipts of Transient Lodging Tax for the 2017-2018 fiscal year. In the event that actual total payments to Contractor exceed 25% of the total net annual receipts, Contractor shall remit the overpayment to City within 15 days of receipt of notice of the overpayment. In the event that actual total payments to Contractor were less than 25% of the total net annual receipts Transient Lodging Tax, City shall remit the underpayment to Contractor within 15 days of completion of the reconciliation.

In each fiscal year after the 2017-2018 fiscal year, City shall pay to Contractor 25% of the actual net receipts of Transient Occupancy Tax received in each fiscal quarter according to the following schedule: October 20, January 20, April 20, and August 31.

July 10	25% of CITY Budget Allocation
September 30	25% of CITY Budget Allocation
December 31	25% of CITY Budget Allocation
March 31	25% of CITY Budget Allocation

**3.4 Transient Occupancy Tax Funds Subject to Availability.** Funding for this Contract comes from Transient Occupancy Tax funds in the year received. The amounts budgeted pursuant to Section 3.2 of this Contract are based on revenue estimates. In the event that Transient Occupancy Tax collections fall below estimates, City reserves the right to adjust the amounts provided to Contractor in City's sole and absolute discretion. City will give Contractor notice of such adjustments, in writing, not less than sixty days prior to the next quarterly disbursement of Transient Occupancy Tax funds.

**3.5.** Nothing in this Contract shall be deemed to prevent Contractor from seeking other source of funds, or creating additional funding mechanisms for the provision of tourism marketing and visitor services to its members or to other entities. City shall have no legal responsibility for, or authority over, any such revenue raised by the Contractor outside of the scope of this Contract.

**3.6.** City will report the total amount of all payments made to Contractor pursuant to this agreement in accordance with state and federal tax laws and regulations.

2. Except as modified herein, the terms and conditions of the Contract remain in full force and effect.

In witness whereof the parties have caused this Amendatory Agreement No. 2 to be signed in their respective names by their duly authorized representatives as of the dates set forth below:

City of Salem,  
an Oregon municipal corporation

Salem Convention and Visitors Association,  
an Oregon nonprofit corporation, *dba* Travel  
Salem

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