

**CONTRACT FOR THE PROMOTION AND DEVELOPMENT
OF TOURISM IN CARTER COUNTY, TENNESSEE**

THIS CONTRACT for the promotion and development of tourism in Carter County, Tennessee is made and entered into by and between CARTER COUNTY, a political subdivision of the State of Tennessee, by and through the approval of its legislative body, (hereinafter referred to as "County") and THE ELIZABETHTON/CARTER COUNTY CHAMBER OF COMMERCE, a non-profit corporation organized and existing under the laws of Tennessee acting by and through its duly authorized board of directors (hereinafter referred to as "Chamber").

WHEREAS, pursuant to the Private Acts of 1984, Chapter 186, the County is authorized to collect a privilege tax upon the privilege of occupancy in any hotel (as defined in said Private Act) within Carter County in an amount not to exceed five percent (5%) of the consideration charged by the operator which shall be collected by the operator and remitted to the County monthly; and

WHEREAS, pursuant to the provisions of said Private Act the County is authorized to retain in the general fund two percent (2%) of the total amount of taxes remitted by hotel operators each year or twelve thousand dollars (\$12,000.00) per annum, whichever is less; and

WHEREAS, pursuant to the provisions of said Private Act all other amounts collected via the privilege tax shall be deposited in a special tourism fund and expended only for tourism development and promotion, and the County shall contract with a suitable not-for-profit or civic organization for the promotion and development of tourism in Carter County who shall utilize said funds for that purpose; and

WHEREAS, the Chamber is a suitable non-profit corporation organized and existing under the laws of the State of Tennessee with which the County may contract for the purpose of promotion and development of tourism in Carter County; and

WHEREAS, the Chamber has agreed to accept the balance of the funds from the special tourism fund of the County collected each month via the hotel privilege tax and to expend said funds for the promotion and development of tourism in Carter County under the terms and conditions as set out in this document.

NOW THEREFORE, in consideration of the foregoing statements the parties hereto desire to formally set forth their agreement as follows:

1. The above recitations are a material part of the parties' agreement and are specifically incorporated herein.

2. For purposes of this Contract, tourism is defined as the planning and conducting of programs of information and publicity designed to attract tourists, visitors and other interested persons from outside the area to the County, and also encouraging and coordinating the efforts of other public and private organizations or groups of citizens to publicize the facilities and attractions of the County for

the same purposes. It also means the acquisition, construction, and remodeling of facilities useful in the attraction and promotion of tourists, conventions, and recreational business.

3. As consideration for this Contract, and for the promotion and development of tourism in Carter County as defined herein, the County agrees to disburse and pay to the Chamber the balance of all funds collected via the hotel privilege tax and deposited into the special tourism fund, after two percent (2%) of the total amount of taxes remitted by hotel operators each year or twelve thousand dollars (\$12,000.00) per annum, whichever is less, has been deducted from said amount and deposited into the general fund of the County. The balance of the funds shall be paid by the County to the Chamber in monthly installments pursuant to the policies and procedures of the Carter County Finance Department in effect at the time of payment, which may be amended from time to time.

4. As consideration for this Contract the Chamber shall actively promote and develop tourism in Carter County, as defined herein, through utilization of the facilities, services and programs it has traditionally provided. Furthermore, the Chamber agrees to explore additional and different methods, programs, opportunities, and partnerships which will promote and develop tourism in Carter County. The Chamber shall appoint a representative to serve on the task force, or any other entity created by the County, with the stated goal of utilization of new and different methods of tourism development in Carter County.

5. The funds submitted from the County shall only be utilized by the Chamber for the promotion and development of tourism as defined herein and for no other purposes. A tourism account shall be maintained by the Chamber and all funds received from the County in a fiscal budget year shall be deposited in said account. If the Chamber does not expend the entire amount of the funds it receives from the County during the year in which they are received, the funds shall be retained in the tourism account in the name of the Chamber as reserve funds and shall only be utilized by the Chamber for the promotion and development of tourism in Carter County as defined herein. The Chamber shall be required to present a proposed budget to the full County Legislative Body each year during its regular October meeting. The Chamber shall also be required to file with the Carter County Clerk, in October of each year, a copy of an annual report of its business affairs and transactions, which includes, but is not limited to, a copy of an annual audit, a description of the program that serves the residents of the County, and the proposed use of the funds provided by the County. Costs of these requirements are hereby explicitly acknowledged by the County to be an integral part of, and included in the definition of, tourism in this Contract. The Chamber expressly covenants and agrees that it will comply with all applicable state and federal laws in relation to the receipt, management, and expenditure of said funds, and furthermore, that it will take all necessary steps and use its best efforts to ensure that no portion of the funds are shared with or provided to any other public or private organization which is operating or reasonably suspected to be operating in violation of any state or federal law. A violation of any of the requirements of this paragraph by the Chamber shall be considered a material breach of this Contract.

6. In the event of an alleged breach of this Contract by the County, the Chamber shall provide written notice of such breach by certified mail, return receipt requested, to the County Mayor and the County shall be given thirty (30) days from the date of receipt in which to cure the breach. In no event shall any extension of time granted or failure to take action by the Chamber be construed as a waiver of the terms, conditions or covenants herein. In the event that litigation is necessary to enforce the terms of this Contract or due to the breach of or failure to perform any term or condition herein, the

prevailing party in said litigation shall be entitled to recover reasonable attorney's fees and court costs from the other party in that action.

7. In the event of an alleged breach of this Contract by the Chamber, the County shall provide written notice of such breach by certified mail, return receipt requested, to the registered agent of the Chamber or to the Chamber Director, and require the appropriate representative of the Chamber to appear before the County Legislative Body at its next regular meeting, or at a specially called meeting, to show cause why the Contract should not be terminated. At such meeting the Board of County Commissioners may elect to either immediately terminate the Contract if the alleged breach has not been cured or allow the Chamber additional time to cure the breach. In no event shall any extension of time granted or failure to take action by the County be construed as a waiver of the terms, conditions or covenants herein. In the event that litigation is necessary to enforce the terms of this Contract or due to the breach of or failure to perform any term or condition herein, the prevailing party in said litigation shall be entitled to recover reasonable attorney's fees and court costs from the other party in that action.

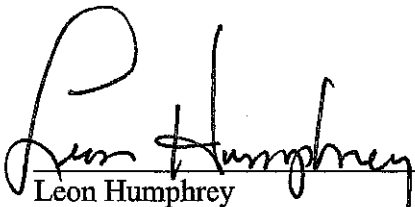
8. The term of this Contract shall be for three (3) years from the date of its final execution by both parties. The Contract shall automatically renew for successive three (3) year terms on the anniversary date of its execution absent written notice of either party's intent to terminate the Contract sent by certified mail, return receipt requested, to the other party delivered to the Carter County Mayor or Chamber Director at least sixty (60) days prior to the expiration of the term in effect at the time.

9. This Contract shall be construed in accordance with and governed for all purposes by the laws of the State of Tennessee. The parties agree that the sole and exclusive venue for any and all disputes relating to or arising from this Contract shall be in the Chancery Court of Carter County, Tennessee.

10. This instrument contains the entire agreement between the parties regarding operations, terms and conditions for the effective term described herein. Any oral representation or modifications concerning this instrument shall be of no force or effect and this Contract may not be amended except by a subsequent modification in writing, signed by the parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed, or have caused to be executed, this Contract on the date indicated below.

CARTER COUNTY, TENNESSEE



Leon Humphrey
Mayor & Board of County Commissioners
Chairman

3/9/16
Date

Christa Byrd
Finance Director
Christa Byrd

3-9-2016
Date

Attest:

Approved as to Form:

Mary Gouge
Mary Gouge
County Clerk

Joshua A. Hardin
Joshua A. Hardin
County Attorney

THE ELIZABETHTON/CARTER COUNTY CHAMBER OF COMMERCE

Ken Markland
Ken Markland
President, Board of Directors

3/1/16
Date

Tonya Stevens
Tonya Stevens
Chamber Director

3/1/16
Date

Attest:

Approved as to Form:

Robert White
Secretary

Sam J. LaPorte
Sam J. LaPorte
Board Attorney