AGREEMENT between THE TOWN OF PARADISE VALLEY and EXPERIENCE SCOTTSDALE.

THIS AGREEMENT, hereinafter referred to as the "Agreement", is made and entered into this $\frac{28}{28}$ day of June, 2020, by and between the **TOWN OF PARADISE VALLEY**, a municipal corporation of the State of Arizona, hereinafter referred to as "Town", and Scottsdale Convention and Visitors Bureau, Inc., an Arizona non-profit corporation, doing business as **EXPERIENCE SCOTTSDALE**, hereinafter referred to as "ES".

RECITALS

WHEREAS, the parties desire to enter into this Agreement to, among other things, pursue the following shared objectives:

- A. ES will work to support the Town's vision to enhance the Town's unique character for its residents and to support the success of the Town's resorts.
- B. ES and the Town support common values of professionalism, high quality customer service, teamwork, respect, accountability, and transparency.
- C. Through the tourism industry, ES can help to elevate the unique lifestyle and character of the Town while ensuring a strong return on the Town's investment.
- D. ES's efforts to elevate the tourism industry support the Town and its desire to preserve the Town's special character, provide high quality service, invest in infrastructure projects, manage the Town's financial resources, and identify opportunities to create and promote a more sustainable community.

NOW, THEREFORE, for good and valuable consideration, the parties agree as follows:

AGREEMENTS

1. Scope of Services.

- (a) ES agrees to promote the Town's hospitality industry for the purpose of bringing additional business to the Town's hospitality industry. As used herein, the terms "promote" and "promotion" shall mean that ES shall perform its duties described in this Agreement.
- (b) ES will assist the Town and its resorts by aiding in the generation of non-resident taxes by annually developing and implementing a comprehensive destination program of work, which is published as the "Strategic Business Plan." The Strategic Business Plan for 2020-2021 is attached hereto as Exhibit A and incorporated by this reference. The performance of ES's duties pursuant to this Agreement will be guided by the Strategic Business Plan, which will be updated annually and provided, along with a budget, to the Town no later than June 1 for each coming year.
- (c) Annually, ES shall convene a meeting with Town representatives and Town resort general managers to allow the group to share input on priorities, trends and insights related to the coming year's Strategic Business Plan. The meeting will be scheduled at an appropriate

time to allow input to be considered for the coming year's program of work. The Town will moderate the conversation and ES will gather said input.

2. Compensation.

- (a) Town shall pay ES for services rendered herein based on a percentage of the Town's tax collections upon any business activity of any hotel or resort charging a tax on transient lodging pursuant to 4A-447 of the Paradise Valley Town Code (the "Transient Lodging Tax"). The percentage amount of Transient Lodging Tax to be paid to ES shall be 45% of first \$2,000,000 collected in each fiscal year; then 35% of the second \$2,000,000 collected in each fiscal year; then 35% of the second \$2,000,000 collected in each fiscal year; then 35% of the second \$2,000,000 collected in each fiscal year (the "Contract Amount"). The payments for the Contract Amount shall be then equalized over the year by quarter, subject to other terms specified herein.
- (b) Sums due herein are payable quarterly by the Town to ES with the first quarter payment due July 15, the second quarter payment due October 15, the third quarter payment due January 15 and the fourth quarter payment due April 15. The quarterly payments shall be based on an estimate of the current fiscal year's estimated annual Transient Lodging Tax revenues to be received by the Town. Additionally, if the actual Transient Lodging Tax collection is substantially different from the estimated Transient Lodging Tax, ES and the Town shall meet to review the quarterly estimated payments and adjust the quarterly payment if deemed appropriate by both parties.
- (c) The second quarterly payment, in October of each year (except for October 2020), will include an adjustment, up or down, made by the Town to reconcile the previous fiscal year's actual Transient Lodging Tax revenue collections with the quarterly amounts paid to ES during the previous fiscal year. After receiving the final collections information for the fiscal year, the Town will reconcile the estimated payments with actual amounts owed, whereby an additional amount may be due to ES if actual tax collections exceed the estimate of tax collections used to calculate the FY quarterly payments or whereby a refund or credit may be due to the Town if actual tax collections are less than the estimate of tax collections. Refunds and credits shall be made and applied from one party to the other in the manner reasonably agreed by the parties. If the Town's independent audit finds that the Arizona Department of Revenue final amounts require an adjustment, the Town will contact ES and initiate the adjustment on the next quarterly payment or the next several quarterly payments as reasonably agreed by the parties.
- (d) The payments of a portion of the Transient Lodging Tax revenues received by the Town applies only to the first 3.4% of the Transient Lodging Tax. It shall not be applied to revenues from any Transient Lodging Tax rate greater than 3.4% which may be levied by the Town in the future. During the term of this Agreement, should the Town decide to levy a Transient Lodging Tax greater than three and four-tenths percent (3.4%), then the parties will renegotiate the provisions of this Agreement related to the distribution of the increased amount of the Transient Lodging Tax.

3. **Performance Reports**. Within thirty days after the close of each fiscal year, ES shall submit to the Town a report on ES's performance under this Agreement. The report shall include an analysis of the effectiveness of the program of work, including documentation of year-end performance. At the direction of the Town Manager, these annual reports may also be presented to the Town Council at a regularly scheduled meeting or session.

4. **Board and Subcommittee Representation**. ES shall invite the Town Council to appoint one voting liaison to the ES Board of Directors during the term of this Agreement. This liaison must be a sitting member of the Council, which can include the Mayor. While board terms are typically for one year, the Town Council may appoint a new liaison at any point during the term of this Agreement at its sole discretion. The Town's voting liaison to the ES Board of Directors also shall be provided a seat on the ES public policy committee if and when such committee exists. Other Town representatives may be invited to participate on the public policy committee at the discretion of ES and approval of the Committee Chair.

5. **Financial Responsibility**. ES shall work with its executive committee leadership to explore opportunities for greater revenue diversity and work toward a budget reserve in line with industry best practices. In addition, ES shall engage with an independent consultant with Destination Marketing experience to assess financial and operational practices and accountability no less than once in the first three year-term of this Agreement and once in the two-year extension period; provided ES shall not be required to engage such consultant if ES experiences a significant decline (as reasonably determined by ES) in revenue or resources in the year prior to or during the year such consultant is to be engaged by ES. ES shall make the consultant's report available to the Town.

6. Audit and Records.

- (a) Annual Audit Report. Within ninety (90) days after the end of each year, ES shall prepare and submit to Town at ES's expense an annual audit report of revenues and expenses related to this Agreement and an opinion thereon prepared by an independent certified public accounting firm. The audit report shall include an annual financial statement prepared in accordance with generally accepted accounting principles (GAAP) and the provisions of the Statement of Financial Accounting Standards No. 117 (Financial Statements of Not-for-Profit-Organizations). ES shall make available to Town all work papers and records produced by the auditor pertaining to the audit, or copies thereof, reasonably promptly after Town's request but in any event within ten (10) working days after Town's written request therefor. The Town's review of Experience Scottsdale's annual audit report in this section and section b below does not take on any obligation or responsibility by the Town regarding Experience Scottsdale's testing controls and business practices.
- (b) Inspection of Books. Town or its agent may, by giving reasonable advance notice to ES and on the date or dates that Town and ES may reasonably agree upon, inspect ES's books related to the expenditure of funds under this Agreement for the purpose of ensuring compliance with this Agreement and applicable law; provided, however, that any such inspection does not unreasonably interfere with the regular business activities of ES and further provided that the Town shall bear any expense related to its inspection. ES agrees to reimburse the Town for any expenditures it makes utilizing funds pursuant to this Agreement, which are not related to the tourism and convention purposes stated herein.

7. Law. ES shall at all times herein comply with all laws of the Town of Paradise Valley, the County of Maricopa, the State of Arizona and the United States of America. This Agreement shall be governed by and construed in accordance with the laws of the State of Arizona and the Town of Paradise Valley. The Town has determined that this Agreement is for a public purpose benefiting

the welfare of the Town and its citizens, and that the public receives a valuable and reasonable consideration for the funds expended herein.

- 8. Insurance and Indemnity. ES shall provide insurance and indemnification as follows:
 - (a) Indemnification. To the fullest extent allowed by law, ES, its successors, assigns and guarantors, shall defend, indemnify and hold harmless Town, its agents, representatives, officers, directors, officials, and employees from and against all allegations, demands, proceedings, suits, actions, claims, damages, losses, expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, to the extent related to, arising from or out of, or resulting from any negligent or intentional actions, acts, errors, mistakes or omissions caused by ES, its agents or contractors while performing work or services under this Agreement, including but not limited to, any subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable under contract or applicable law. ES's indemnification obligations under this Section include damages related to, arising from or out of, or resulting from acts or omissions of ES while performing work or services under this Agreement that infringe the intellectual property rights of any third party. Insurance provisions set forth in this Agreement are separate and independent from the indemnity provisions of this paragraph and shall not be construed in any way to limit the scope and magnitude of the indemnity provisions. The indemnity provisions of this paragraph shall not be construed in any way to limit the scope, magnitude and applicability of the insurance provisions.
 - (b) **Insurance**. Without limiting any of its obligations or liabilities, ES, at ES's own expense, shall purchase and maintain the hereinafter stipulated minimum insurance:
 - i. All insurance shall be from a company or companies lawfully authorized to do business in the State of Arizona with an A.M. Best, Inc. rating of B++6 or above with policies and forms satisfactory to Town.
 - ii. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this Agreement are satisfactorily completed and formally accepted; failure to do so may, at the sole discretion of the Town, constitute a material breach of this Agreement.
 - iii. ES's insurance shall be primary insurance, and any insurance or self-insurance maintained by Town shall not contribute to it. Any failure to comply with the claim reporting provisions of the policies or any breach of a policy warranty shall not affect coverage afforded under the policy to protect Town.
 - iv. The policies shall contain a waiver of transfer rights of recovery (subrogation) against Town, its agents, representatives, directors, officers, and employees for any claims arising out of the work or services of ES under this Agreement.
 - v. The policies may provide coverage that contains deductible or self- insured retentions. ES shall be solely responsible for any deductible and/or self-insured retention.
 - vi. The policies shall be in place by no later than ten (10) days after the date of this Agreement.

- vii. Within 10 working days after notice from Town, ES shall provide to Town certified copies of any or all of the required policies and/or endorsements. Town shall not be obligated, however, to review same or to advise ES of any deficiencies in such policies and endorsements, and such receipt shall not relieve ES from, or be deemed a waiver of Town's right to insist on, strict fulfillment of ES's obligations under this Agreement.
- viii. The insurance policies required by this Agreement, except workers' compensation and fidelity/crime insurance policies, shall name Town, its agents, representatives, officers, directors, officials, and employees as additional insureds.
- ix. Required Coverage. ES shall cause to be in effect the following insurance:
 - General Liability. ES shall maintain "occurrence" form Commercial General Liability insurance with a limit of liability not less than \$1,000,000 for each occurrence with a \$2,000,000 Products and Completed Operations Limit and \$2,000,000 General Aggregate Limit. The policy shall be primary, and include coverage for bodily injury, broad form property damage, personal injury, products/completed operations and blanket contractual coverage including, but not limited to, the liability assumed under the indemnification provisions of this Agreement. Such policy shall contain a severability of interest provision. If any Excess insurance is utilized to fulfill the requirements of this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying.
 - 2) Automobile Liability. ES shall maintain Commercial/Business Automobile Liability insurance with a combined single limit for bodily injury and property damages of not less than \$1,000,000, each accident with respect to ES's owned, hired, and non-owned vehicles assigned to or used in performance of ES's work or services under this Agreement. If any Excess insurance is utilized to fulfill the requirements to this paragraph, such Excess insurance shall be "follow form" equal or broader in coverage scope than underlying.
 - 3) Worker's Compensation. ES shall maintain Worker's Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction of ES's employees engaged in the performance of the work or services under this Agreement, and Employer's Liability insurance of not less than \$100,000 for each accident,
- x. \$100,000 disease for each employee, and \$500,000 disease policy limit. In case any work or services under this Agreement are subcontracted, ES shall require all subcontractors to provide the same insurance requirements as cited above for ES to protect Town.
 - 1) Fidelity Insurance. ES shall purchase and maintain fidelity and crime insurance coverage with a limit of \$250,000 per loss.
 - 2) Other Insurance. ES shall maintain any other insurance coverage or amounts of insurance Town may reasonably require from time to time for the protection of the public, Town and its employees, officials,

representatives, officers, directors, and agents. Town may elect by written notice to ES to require additional coverage or increased amount of any insurance to account for changes in risks, inflation, or any other factor that Town reasonably determines to affect the prudent amount of insurance to be provided by ES.

(c) **Certificates of Insurance**. Prior to commencing work or services under this Agreement, ES shall furnish to Town certificates of insurance or formal endorsements as required by the Agreement, issued by ES's insurer(s), as evidence that polices providing the required coverages, conditions, and limits required by this Agreement are in full force and effect. Such certificates shall identify this Agreement. In the event any insurance policy(ies) required by this Agreement is (are) written on a "claims made" basis, coverage shall extend for two years past completion and acceptance of the work or services and as evidenced by an annual Certificate of Insurance.

9. **Independent Contractor**. ES is an independent contractor and shall in no way be deemed to be an employee of the Town.

10. **Term and Renewal**. The term of this Agreement shall be from July 1, 2020 through June 30, 2023, unless sooner terminated as provided herein. Upon notice of termination, any amounts owed through the date of termination, according to the terms of this Agreement, will be paid on a prorated basis. This Agreement may be renewed at the Town's option for up to two additional one-year terms covering July 1, 2023 through June 30, 2024 and July 1, 2024 through June 30, 2025. If Town desires to renegotiate the payment terms of this Agreement at the end of year 3 or 4, written notice must be provided to ES by January 15th of said term prior to the end of the term but if the parties fail to agree upon the renegotiated terms by the end of year 3 or 4, as applicable, then ES may terminate this Agreement by giving written notice to the Town prior to the end of the term.

11. **Termination**. Town may, without prejudice to any other right or remedy, terminate this Agreement for any cause or reason or without cause or reason on one hundred twenty (120) days written notice. Upon notice of termination, any amounts owed through the date of termination on a prorated basis, according to the terms of this Agreement, shall be paid. Except for the foregoing, no person shall be entitled to any compensation damages or other remedy from Town if this Agreement is terminated pursuant to the terms of this paragraph or other terms of this Agreement.

12. Factors Considered in Renewal. The Town shall consider, but not be limited to, the following factors in determining whether or not to renew or extend this Agreement: ES's ability to help generate Transient Lodging Tax revenues received by the Town; ES's ability to meet its program of work that was prepared with input received by the Town's resort general managers on the performance of ES. ES is expected to produce regular reports, at least annually, but preferably more frequently, demonstrating its progress toward aiding the Town in the generation of non-resident taxes.

13. **Sole Agreement**. No other agreements or representations of any kind have been made by and between the parties hereto. ES's consent is not required for the Town to increase the Transient Lodging Tax beyond 3.4%.

14. Conflict of Interest. This Agreement is subject to cancellation pursuant to A.R.S. 38-511.

15. Assignment Prohibited, Agreement Binding. This Agreement shall extend to and be binding upon the heirs, administrators, executors, successors and permitted assigns of the respective parties.

Neither party may assign its rights or obligations under this Agreement without the prior written consent of the other party.

16. **Notices**. All notices pursuant to this Agreement shall be in writing and shall be deemed properly given if sent by facsimile, personal delivery, by certified mail or by courier, postage prepaid, addressed to the addresses set forth below. Notice shall be deemed effective on the date of actual receipt or five (5) days after the date of mailing, whichever is earlier.

17. **Amendments**. Amendments to this Agreement shall be made in writing and executed by the parties below.

18. **Default, Force Majeure**. If any party fails to observe or perform any of the provisions of this Agreement and such failure is not cured within twenty (20) days after notice by the affected party, then such party shall be in default and without further notice, the affected party may at any time thereafter terminate this Agreement and recover damages resulting from the default or effect a cure on the defaulting party's behalf and all costs and expenses so incurred by the curing party together with interest at the rate of ten percent (10%) per annum shall be due and payable by the defaulting party. However, if a default cannot reasonably be cured within twenty (20) days, the defaulting party shall not be in default of this Agreement if it commences to cure the default within such twenty-day period and diligently pursues such cure to completion. Either party shall be excused for failures and delays in performance of its respective obligations under this Agreement due to acts of God, war, national disasters, strikes, fire, pandemic, or other comparable events, or as a result of any lawful order issued by the United States government or an official of the State of Arizona or Town, or for any reason beyond the control of the parties; and in such event, this Agreement shall be suspended during such period and for as long as such conditions shall exist and the term hereof shall not be extended.

19. Immigration Warranty. ES shall comply with immigration laws as follows:

- (a) Under the provisions of A.R.S. §41-4401, ES hereby warrants to the Town that it will comply with, and is contractually obligated to comply with, all Federal Immigration laws and regulations that relate to its employees and A.R.S. §23-214(A) (hereinafter, the "Immigration Warranty").
- (b) A breach of the Immigration Warranty shall constitute a material breach of this Agreement and shall permit the Town to terminate this Agreement, at the sole discretion of the Town.
- (c) Town retains the legal right to, if it has reason to believe that the Immigration Warranty has been breached, inspect the citizenship or immigration status papers (i.e., I-9 and/or W-9) of any employee of ES who works on this Agreement to ensure compliance with the Immigration Warranty. ES agrees to assist the Town in regard to any such inspections at no out of pocket cost to ES.
- (d) The Town may, at its sole discretion and sole expense, conduct random verification of the citizenship or immigration status employment records (i.e., I-9 and/or W-9) of ES to ensure compliance with the Immigration Warranty if the Town has reason to believe that the Immigration Warranty has been breached, provided that such random verification does not unreasonably interfere with the regular business operations of ES.

(e) ES shall not be deemed to have materially breached the Immigration Warranty if it establishes that it has complied with the employment verification provisions prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. §23-214(A). Voluntary compliance may be available through the Arizona Attorney General's Voluntary Employer Enhanced Compliance Program. In furtherance of this paragraph, ES may request that any subcontractors performing work on matters related to this Agreement execute a Certification and Indemnity ("Certification") in the form attached hereto as Exhibit B and incorporated herein by this reference. The Town hereby agrees that, for purposes of this Agreement, any subcontractor that executes the Certification will be conclusively deemed compliant with ES's Immigration Warranty.

20. **Prohibition Against Boycott of Israel**. ES certifies that it is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel as defined in A.R.S. § 35-393.

21. **Non-liability of Town Officials and Employees**. No member, official or employee of Town shall be personally liable to ES, or any successor in interest, in the event of any default or breach by Town or for any amount that may become due to ES or its successor on any obligation related to this Agreement.

22. **Counterparts**. This Agreement may be executed counterparts and by facsimile/email .pdf signature. Each counterpart, taken together, shall constitute one integrated document. Facsimile/ email .pdf signatures shall be acceptable as original signatures.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties have entered into this Agreement effective on the date first above written.

By:

By:

Date:

TOWN OF PARADISE VALLEY

DocuSigned by:

6401 E. Lincoln Drive Paradise Valley, AZ 85253 Phone: 480-948-7411; Fax: 480-951-3715

By:

JIII Keimacn, Town Manager

6/26/2020 Date:

ATTEST:

DocuSigned by:

By: Duncan Miller FD56FF67A95043D... 1 own Clerk SCOTTSDALE CONVENTION & VISITORS BUREAU, INC.

4343 N. Scottsdale Road, Suite 170 Scottsdale, AZ 85251 Phone: 480-421-1004; Fax: 480-421-9733

Kate Birchler ate Birchler (Jun 25, 2020 17:27 PDT)

Kate Birchler, Chair of the Board

Jun 25, 2020

Rachel Sacco

June 23, 2020

Rachel Sacco, President & CEO

APPROVED AS TO FORM:

DocuSigned by:

By:

andrew Miller

Andrew Miller, I own Attorney

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Exhibit A

Strategic Business Plan [See attached.]



Exhibit B

Certification and Indemnity

This CERTIFICATION AND INDEMNITY (this "Certification") is made as of this _____ day of ______, 20___ by ______, a(n) ______, a(n) ______, a(n) ______, ("Subcontractor") in favor of the **TOWN OF PARADISE VALLEY**, a municipal corporation of the State of Arizona ("Town") and the **SCOTTSDALE CONVENTION & VISITORS BUREAU**, **INC**. ("ES" and, together with the Town, the "Indemnified Parties").

WHEREAS, the Town and ES entered into an Agreement dated as of June ____, 2020 (the "Agreement"), whereby the ES is providing certain services to the Town as more particularly described in the Agreement.

WHEREAS, this Certification is being delivered to the Indemnified Parties pursuant to Section 19 of the Agreement.

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, Subcontractor hereby certifies and agrees as follows:

1. Subcontractor has complied, and will at all times during the term of its agreements with ES comply, with the employment verification provision prescribed by sections 274A and 274B of the Federal Immigration and Nationality Act and the E-Verify requirements prescribed by A.R.S. § 23-214(A) (collectively, "Employment Verification Laws").

2. Subcontractor hereby agrees to indemnify, defend and hold harmless the Indemnified Parties, and their successors, assigns, shareholders, officers, directors, employees, attorneys and agents for, from and against, and promptly pay on demand or reimburse each of them with respect to any and all liabilities, claims, demands, losses, damages, costs and expenses (including without limitation, reasonable attorneys' and paralegals' fees and costs) for all actions or causes of action of any and every kind or nature whatsoever asserted against or incurred by any of them by reason of or arising out of or in any way related or attributable to any violation of or noncompliance by Subcontractor with the Employment Verification Laws or applicable laws concerning employment verification or similar activities. Subcontractor's obligations under this Section shall survive the termination of Subcontractor's agreements with ES.

IN WITNESS WHEREOF, Subcontractor has executed this Certification as of the date first written above.

"SUBCONTRACTOR"

_____, a(n)

By:			
Name:			
Title:			

Experience Scottsdale and Town Agreement 062220_signed by Rachel Sacco

Final Audit Report

2020-06-26

Quarterl	
Created:	2020-06-26
By:	Diane Regan (dregan@experiencescottsdale.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA-rMcv1BsTdVv5RR4_bZpkUmzO1EEj1

"Experience Scottsdale and Town Agreement 062220_signed by Rachel Sacco" History

- Document created by Diane Regan (dregan@experiencescottsdale.com) 2020-06-26 - 0:25:54 AM GMT- IP address: 204.98.93.162
- Document emailed to Kate Birchler (kate.birchler@macerich.com) for signature 2020-06-26 0:26:20 AM GMT
- Email viewed by Kate Birchler (kate.birchler@macerich.com) 2020-06-26 - 0:26:40 AM GMT- IP address: 64.79.132.85
- Document e-signed by Kate Birchler (kate.birchler@macerich.com) Signature Date: 2020-06-26 - 0:27:14 AM GMT - Time Source: server- IP address: 64.79.132.85
- Signed document emailed to Diane Regan (dregan@experiencescottsdale.com) and Kate Birchler (kate.birchler@macerich.com)
 2020-06-26 - 0:27:14 AM GMT

STRATEGIC RECOVERY BUSINESS PLAN 2020-2021







ExperienceScottsdale.com

A MESSAGE FROM OUR LEADERSHIP

UNPRECEDENTED TIMES. Those words have become a drumbeat for the national tourism industry. And while the crisis we face can be described in no other way, our industry and our community's ability to overcome incredible challenges is not unprecedented.

We rallied together in the aftermath of 9/11, during the Great Recession, and throughout countless public health emergencies. Each time, our industry took our hits and emerged even stronger. That resiliency is why tourism has and always will be one of the Scottsdale market area's largest and most important industries. Though our industry has a long, tough road ahead, I have no doubt the same will be true this time.

Tourism is the lifeblood of our community and the foundation of our economy, and this shift has impacted us all. I know you've had to make hard choices during this uncertain time. Experience Scottsdale has had hard choices as well. But since the COVID-19 outbreak, we have worked diligently to shift dollars and ready strong programs that will be activated when the time is right.

With a tightened budget, we will turn to our tried and true strategies, letting extensive research and important relationships guide our outreach to the visitors who have a propensity to travel to Scottsdale and will be essential to our road to recovery. Experience Scottsdale's destination promotion will be critical in maintaining a positive perception of the Scottsdale market area as a travel and meetings destination, and we are working in lockstep with the regional hospitality and business community, as well as our partners at the city of Scottsdale and town of Paradise Valley, to ensure we have a coordinated and united front to protect our economic future.

Now, more than ever, we must remember that travel is a truly resilient industry. For more than three decades, Experience Scottsdale has worked with partners like you to overcome previous hurdles. Thank you for putting your trust in Experience Scottsdale. Let us not forget our strength as a community, our passion as an industry, and our resilience as people – no matter how unprecedented these times may be.

Sincerely,

Jackel Sasco

Rachel Sacco President & CEO



INDUSTRY OUTLOOK

THE HEALTH OF OUR COMMUNITY'S TOURISM INDUS-TRY IS LARGELY RELIANT ON THE STRENGTH OF THE NATIONAL AND GLOBAL TOURISM INDUSTRY. Experience Scottsdale monitors publications, research and news to stay apprised of trends and shifts in the industryat-large.

FALLOUT FROM THE COVID-19 HEALTH CRISIS

At the outset of 2020, industry researchers anticipated annual growth in leisure, business and international travel, as well as meetings business. Once the COVID-19 public health emergency swept the U.S., those predications were no longer valid. As of April, according to Tourism Economics, the sudden impact of the coronavirus will result in:

- A **45%** decline in travel spending in 2020
- \$519 billion in lost revenue and a decline of \$80 billion in taxes
- The loss of **6.9 million** jobs in the travel and tourism sector

"Travel has come to a virtual standstill, but we expect the market to begin to regain its footing this summer. Once travel resumes, the combination of pent-up travel demand and federal aid will help fuel the recovery as we move into the latter part of this year and next year."

- Tourism Economics President Adam Sacks

LODGING INDUSTRY FORECASTS					
	2020 STR Forecast 2021 STR Forecast				
Occupancy	35.8% (-45.8%)	52.1% (+45.5%)			
Average Daily Rate	\$102.83 (-21.6%)	\$104.58 (+1.7%)			
Revenue Per Available Room	\$36.84 (-57.5%)	\$54.53 (+48.0%)			

The Economic Impact of the Coronavirus Due to Travel Losses, April 16, 2020 | HotelNewsNow.com, May 18, 2020

RECOVERY BUSINESS PLAN

EACH YEAR, EXPERIENCE SCOTTSDALE MAINTAINS EXISTING PROGRAMS THAT PROVIDE A CONSISTENT RETURN ON INVESTMENT WHILE IMPLEMENTING NEW PROGRAMS TO REMAIN COMPETITIVE. In fiscal year 2020-21, these enhanced strategies will support our destination's recovery:

MARKETING

Focus on increasing brand awareness in regional and drive markets: Arizona, California, Colorado, Nevada, New Mexico, Texas and Utah

Industry researchers believe that, following the coronavirus public health crisis, people will be more likely to travel by car than plane. Campaigns in these markets will rely upon flexible mediums: television, radio and digital. As cross-country travel becomes more accessible, we will consider additional campaigns in traditional top feeder markets.

Roll out a summer campaign to encourage travel from Memorial Day through Labor Day

One of our first campaigns to roll out will be a summer campaign promoted in Phoenix through radio, digital and billboard ads, as well as in Tucson and parts of southern California (as the state reopens) through radio and digital ads. Messaging will focus on sizzling rates, nearby staycations and activities the whole family can enjoy as consumers look to begin traveling again.

Lead with inspiring messages about the emotional ties travelers have to the destination and Sonoran Desert

Research shows that travelers will be seeking wide open spaces, experiences that allow them room to roam, ways to focus on their health and wellness, as well as creating connections with family and friends. Our messaging is primed for those reassurances. That story is incorporated into our new television commercial and destination video, which were in production at the beginning of the year and will roll out in the fall.

COMMUNICATIONS

Flip the media mission model to create opportunities for face-to-face pitch meetings with media

Each year, Experience Scottsdale conducts missions in top media markets with the hope these face-to-face pitch meetings will result in confirmed assignments for magazines, newspapers and online publications. Experience Scottsdale will flip the media mission model by inviting California travel and lifestyle writers to a two-day media showcase in the destination to offer exclusive, experiential pitches. Rather than hear about our destination from behind their desks, journalists will enjoy our hospitality firsthand and become acquainted with the depth and breadth of the area's offerings during a trade show, meeting with a variety of members and experiencing some of the destination's attractions and experiences.

Partner with content creators to produce destination travel features for their blogs, YouTube and social media channels

As consumers continue to turn to digital media on mobile devices, Experience Scottsdale will partner with these content creators to complement our seasonal marketing efforts and traditional earned media hits, as well as promote niche messaging. By partnering with vetted content creators, we will boost the destination's presence on YouTube and help gain visibility in Google searches. Blogs and videos created by these partners also will include backlinks to drive additional traffic to ExperienceScottsdale.com.

Collaborate with a travel expert to showcase the destination this summer on TV in 10 key markets

By partnering with a nationally recognized broadcast travel expert, Experience Scottsdale can guarantee destination coverage in key regional markets. While we can influence the messaging and video footage used in the markets we select, the final television segments shown to viewers will resemble unbiased editorial coverage. Additional segments will be considered for later in the year as well.

TOURISM

Target luxury advisors close to home as affluent travelers rely more heavily on their expertise

The long-standing relationships the Experience Scottsdale team has built with travel professionals from around the world will help us continue to sell the destination to affluent travelers who are still looking to book vacations - but closer to home. Many travel advisors who traditionally sell cruises or international destinations are looking for new luxury experiences to sell to their clients in the more immediate future. We will ensure such luxuru advisors are trained to sell the Scottsdale market area to help fill this need. While visitation from international segments will take longer to recover, we will employ our in-market representation along with receptive tour operators based in key U.S. gateway cities to maintain our presence in Canada, Mexico, the United Kingdom and Germany, allowing the destination to sustain valuable market share when pent-up international travel demand returns.

Help travel professionals connect to the destination virtually through new tools and trainings

In addition to traditional sales missions in regional markets, Experience Scottsdale will make it easier for travel professionals to connect with the destination virtually through new video content and itineraries on our website, and by leading virtual product trainings and participating in virtual trade shows. Through a layered approach, we will reach and educate top clients in the way that is most comfortable for them – in person or online. Customized virtual site inspections will provide travel advisors full access to the destination.

Develop immersive experiences to provide visitors with a deeper connection to the destination

Experience Scottsdale will partner with the city of Scottsdale to develop, enhance and promote immersive and engaging experiences for Scottsdale visitors. Through this program being funded by the city, we will collectively work with destination consultant Veneto Collaboratory to identify opportunities to innovate Scottsdale's tourism landscape and promote local, authentic experiences.

CONVENTION SALES Tap the association and local markets to spur new leads and bookings

Association bookings account for more than 20% of all Experience Scottsdale's group business, and these groups will likely be the first following the crisis to seek new opportunities to bring their members together as mandated by their bylaws. We will target the association market with the "Reward the Board" promotion. The new promotion will incentivize associations that book their annual programs in the destination to additionally book their board meetings here. By targeting board meetings, which are smaller in size, this promotion will have the potential to benefit resorts and hotels of all sizes and tiers. We also will expand our local meeting planner promotion to encourage local planners to book their future meetings and events closer to home, including focusing on industry segments within Arizona, such as associations, healthcare, and financial/insurance.

Host customer focus groups to gain valuable insight into the meetings industry

Experience Scottsdale has gained valuable insight into the meetings industry through our Customer Advisory Board. To keep our pulse on what's trending in three specific markets, we will work with Connect Meetings to host moderated focus groups in Salt Lake City, Utah; Washington, D.C.; and Jersey City, N.J. Connect will recruit, vet and confirm qualified meeting planners to participate in these events, which will not only build new connections but also provide market-specific feedback from an emerging market like Salt Lake City or a top room night generator like Washington, D.C.

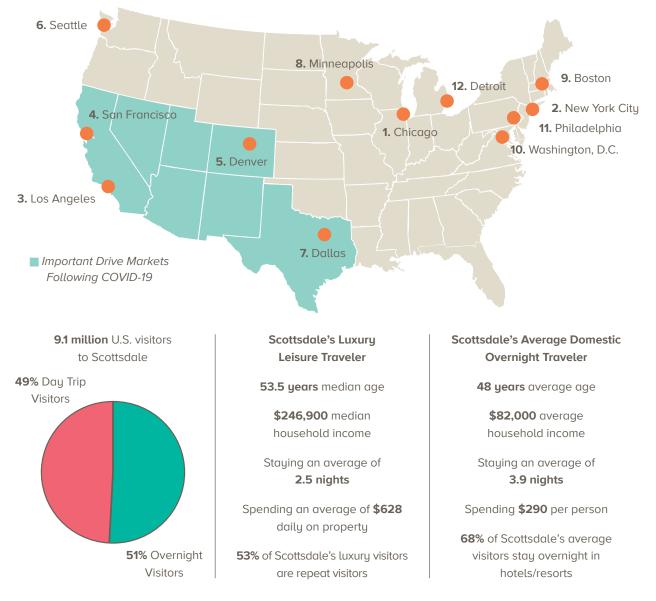
Help meeting planners experience the destination virtually through new tools and resources

For meeting planners unable to visit the destination firsthand, Experience Scottsdale will ramp up the virtual experiences available to meeting planners on our website. Virtual tours and experiences will be featured along with additional destination videos and more online content to make planning a meeting in Scottsdale even easier.

WHERE WE TARGET

RESEARCH IS CRITICAL TO THE SUCCESS OF EXPE-RIENCE SCOTTSDALE'S INITIATIVES, ENSURING OUR PROGRAMS ARE COST-EFFICIENT AND EFFECTIVE IN ATTRACTING THE RIGHT BUSINESS TO SCOTTSDALE. Though we will shift priorities to regional and drive markets following the coronavirus outbreak, our top U.S., Canadian and overseas markets will remain vital as tourism rebounds. Our efforts will keep our core customers inspired to visit when the time is right.

WHERE WE TARGET: DOMESTIC LEISURE VISITATION



TOP U.S. Revenue Producing Markets

Experience Scottsdale Visitor Industry Customer Analysis 2019 | City of Scottsdale Longwoods International 2019 Visitor Research

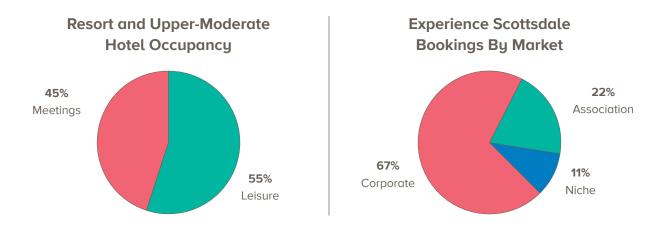
WHERE WE TARGET: INTERNATIONAL MARKETS

1.7 million international visitors to Scottsdale



WHERE WE TARGET: MEETINGS MARKET

Experience Scottsdale focuses on corporate (healthcare, high tech, financial, manufacturing, insurance and retail), association (major conventions, board meetings, training/educational seminars and professional/technical meetings) and niche meetings (sports, government, social, military, educational, religious and fraternal meetings).



Meetings from third-party planners account for more than half of Experience Scottsdale's bookings, largely due to Experience Scottsdale's relationships with companies such as AMEX, HelmsBriscoe, ConferenceDirect, Experient, Global Cynergies and HPN.

Arizona Office of Tourism 2018 Market Profiles | City of Scottsdale Applied Economics 2019 Visitor Statistics | STR, Scottsdale-Area Leisure vs. Group Business, 2006-2018. Republication or other re-use of this data without express written permission of STR is strictly prohibited. | Experience Scottsdale 2018-19 Annual Report

EXPERIENCE SCOTTSDALE BRANDS THE SCOTTSDALE MARKET AREA AS A LUXURY LEISURE AND MEETINGS DESTINATION THROUGH BRAND ADVERTISING, INCLUD-ING HIGH-END COLLATERAL AND PUBLICATIONS, TRA-DITIONAL MEDIA, DIGITAL EFFORTS AND SOCIAL MEDIA.

MEDIA PLAN

Experience Scottsdale develops a media plan based on extensive research and strategic planning to align Scottsdale's brand message with appropriate mediums that best reach our target audiences. With intense competition in the travel marketplace, Experience Scottsdale looks for the most effective outlets. Our efforts effectively capture the interest of potential baby boomer, Gen X and millennial travelers in key feeder markets.

SEASONAL CAMPAIGNS

We develop seasonal marketing campaigns to drive additional visitation during need periods: the holidays and summer. These targeted campaigns use outdoor advertising, online mediums and various other efforts to strengthen destination awareness.

RELATIONSHIP MARKETING

Experience Scottsdale maintains permission-based databases of leisure travelers and meeting planners for direct mail and email that keeps Scottsdale top of mind with people who have visited, expressed interest in visiting or fit our target audience demographics.

PROMOTIONAL MATERIALS

Experience Scottsdale produces a variety of publications for leisure travelers, including the Scottsdale Visitor Guide; Hiking, Biking & Trail Guide; Old Town Guide; and monthly Calendar of Events. To assist meeting planners, travel advisors and tour operators, Experience Scottsdale produces the Scottsdale Meeting & Travel Planners Guide and offers high-quality promotional materials that can be used to sell Scottsdale, including brochures, maps, photos and videos.

DIGITAL MARKETING

ExperienceScottsdale.com is Experience Scottsdale's primary website. We drive visitors to the website via advertising, digital marketing, pay-per-click advertising and search marketing programs. We maintain an active presence on social media channels such as Facebook, Twitter, YouTube, Instagram, Pinterest and LinkedIn. Experience Scottsdale also uses videos, a local expert program and downloadable guides to provide greater access to information online.

EVENT MARKETING

To help drive incremental visitation to the destination, Experience Scottsdale supports special events by incorporating them into our advertising, guides, website, emails and social media channels.

Experience Scottsdale provides visitor services at several events, and we work with event producers to secure new events that fill room nights and attract new customers to Scottsdale.

VISITOR SERVICES

Experience Scottsdale operates a Tourist Information Center in Scottsdale Fashion Square. We provide visitors with destination information via phone, email and our web chat.

EXPERIENCE SCOTTSDALE GARNERS POSITIVE PUBLICITY FOR THE SCOTTSDALE MARKET AREA AS A LUXURY TRAVEL AND MEETINGS DESTINATION THROUGH TARGETED, POSITIVE MEDIA EXPOSURE IN PRINT, BROADCAST, ONLINE AND SOCIAL MEDIA. In markets where advertising dollars are scarce or nonexistent, communications programs are critical in generating intertest.

TRADE SHOWS & MEDIA MISSIONS

To build relationships and target high-caliber journalists with strategic messages, Experience Scottsdale conducts one-on-one editorial meetings and hosts receptions and events in key cities. When possible, Experience Scottsdale also attends travel trade shows to pitch story ideas and further develop media relationships.

PRESS TRIPS & CONFERENCES

Experience Scottsdale encourages qualified journalists to explore Scottsdale, as media who visit typically produce better coverage and write more frequently about the destination than those who do not. Experience Scottsdale facilitates individual and group visits by providing story ideas and coordinating customized itineraries with the support of our members. Group tours are often produced around specific drivers or special events to attract niche media.

Experience Scottsdale also hosts a biennial travel writers conference, Travel Classics West, which provides an additional way to introduce top editors and freelance writers to the destination. When the conference is in another city, Experience Scottsdale attends as a sponsor to develop and maintain media relationships.

MEDIA RESOURCES

Our resources provide story ideas, enhance editorial coverage and help Experience Scottsdale build relationships with media.

- Press Kits: Experience Scottsdale's press kits are available online and used for media fulfillment.
 Visiting media are encouraged to download the press kits from the website.
- Press Releases: Experience Scottsdale disseminates news and seasonal releases, which often incorporate information submitted by Experience Scottsdale members. Some releases are published in other languages.
- Customized Pitches: Customized pitches allow Experience Scottsdale to tailor the message to a publication and its audience to secure thorough, high-value coverage.
- Destination Images: Experience Scottsdale provides media with high-definition video footage and images to enhance Scottsdale editorial.
- Monthly E-Newsletter: Our monthly newsletter updates more than 4,000 domestic and international media on what's new in Scottsdale.

PUBLIC RELATIONS REPRESENTATIVES

Experience Scottsdale contracts with international public relations representatives in Canada, the United Kingdom and Germany to have a more consistent presence in these markets. Experience Scottsdale also contracts with a domestic agency with offices in New York and Los Angeles to help us further penetrate these mediarich cities. In addition, Experience Scottsdale partners with a local golf-focused public relations agency. Our representatives help build relationships with media in their respective markets, respond to media requests, distribute press materials, coordinate media visits to Scottsdale, and advise Experience Scottsdale regarding opportunities to further our positioning.

EXPERIENCE SCOTTSDALE PROVIDES DESTINATION EDUCATION TO TRAVEL ADVISORS, TOUR OPERATORS, AIRLINE VACATION DIVISIONS AND INTERNATIONAL MEETINGS GROUPS. We help travel professionals best capture the Scottsdale experience for their clients, and we ensure Scottsdale stands out as a unique destination in tour operator product inventories throughout the world.

LEADS

Experience Scottsdale generates leads for members, including Scottsdale-area hotels. Once a travel professional has established a relationship with a Scottsdale market area hotel, Experience Scottsdale introduces new itinerary ideas to enhance the experience for customers and increase the number of nights booked for a Scottsdale vacation.

TRADE SHOWS & SALES MISSIONS

We connect face-to-face with travel professionals at select trade shows, which generate immediate leads for Experience Scottsdale members. In addition, Experience Scottsdale conducts sales missions, client events and educational seminars in key markets to cultivate relationships with new clients and meet with long-term clients. During one-on-one client meetings, Experience Scottsdale reviews travel catalogues to ensure that area hotels and resorts are properly featured within a Scottsdale-branded section, prominently featured in the catalogue or highlighted on the cover.

FAMILIARIZATION TOURS & SITE INSPECTIONS

Experience Scottsdale hosts familiarization tours (FAMs) for travel professionals to increase their overall knowledge of the destination by experiencing it firsthand. These FAMs and site inspections provide an opportunity for members to showcase their properties, services and events to travel professionals who are actively seeking new product to sell.

PRODUCT TRAINING SEMINARS

Experience Scottsdale conducts in-person and online product training sessions for travel industry clientele and reservation agents who sell Scottsdale hotels and activities. These seminars are a valuable tool for increasing room-night bookings to the area – the more information each agent absorbs, the easier the destination is to sell to the leisure traveler.

TRADE COOPERATIVE MARKETING

To drive more travelers to purchase Scottsdale vacation packages, Experience Scottsdale partners with international and domestic tour operators to create trade cooperative marketing campaigns in their respective cities and countries. These promotions are organized around seasonal travel packages or a Scottsdale vacation contest. Experience Scottsdale matches the nominal cost incurred by the tour operator to execute the promotion and in turn receives exposure in every medium of the promotion (e.g. print ads, direct mail, in-store displays).

SERVICES

We help travel professionals sell Scottsdale by providing complimentary materials such as photos, videos, brochures, maps, visitor guides and itinerary ideas. Many travel professionals include Scottsdale promotional pieces with itineraries for clients who have purchased a Scottsdale vacation.

TOURISM REPRESENTATIVES

Experience Scottsdale works with trade representatives in the United Kingdom, Germany, Canada and Mexico. Our representatives respond to travel industry requests, participate in trade shows, and conduct educational seminars and sales missions to promote tourism to Scottsdale.

EXPERIENCE SCOTTSDALE PROVIDES DESTINATION EDUCATION TO MEETING PLANNERS AND ASSISTS WITH SECURING SPACE AND SERVICES FOR MEETING AND INCENTIVE PROGRAMS.

LEADS

Experience Scottsdale customizes all meeting planners' requests for accommodations, meeting space and other types of services. Experience Scottsdale works closely with both clients and members to ensure a great match between the needs and wants of our clients and the products and services of our members. In addition to leads generated from our own efforts, Experience Scottsdale also has an agreement with Cvent to generate incremental leads for the destination. Experience Scottsdale does not produce a convention calendar.

TRADE SHOWS & SALES MISSIONS

Experience Scottsdale connects face-to-face with meeting planners at select trade shows, which typically generate immediate leads for Experience Scottsdale members. Often in conjunction with a trade show, Experience Scottsdale will conduct sales calls to connect with additional planners. Members frequently partner with Experience Scottsdale for these events, increasing Scottsdale's presence in the markets.

FAMILIARIZATION TOURS & SITE INSPECTIONS

To give clients a firsthand experience of the destination, Experience Scottsdale conducts large meeting planner familiarization tours (FAMs) each year as well as smaller niche FAMs. These FAMs provide an opportunity for members to showcase their properties and services to highly qualified meeting planners who are actively considering Scottsdale for future programs. In addition to FAMs, smaller and more customized site inspections are coordinated throughout the year for qualified clients.

CLIENT OUTREACH

Clients are contacted during the year via direct mail, phone calls and emails to generate awareness, keep Scottsdale top of mind, and update customers on new amenities and products in Scottsdale.

ADVERTISING & PUBLIC RELATIONS

Experience Scottsdale reaches meeting planners through advertising, email blasts, digital efforts, social media and online RFP tools such as Cvent. Experience Scottsdale also works to keep Scottsdale top of mind with media from key meetings publications. In addition, Experience Scottsdale creates meeting planner promotions to target specific geographic areas, such as Canada and the local Arizona market, and to promote business during need times for the hotels and resorts.

DESTINATION SERVICES

Experience Scottsdale efficiently matches planners' requests for destination management services, off-property venues, speakers, wholesale gifts, and other types of services with member businesses. Experience Scottsdale also helps planners boost attendance for their programs by providing complimentary materials such as photos, videos, brochures, visitor guides and welcome letters.



WHY WE MEASURE

EXPERIENCE SCOTTSDALE COMMISSIONS RESEARCH AND REPORTS FROM MARKET LEADERS IN BENCHMARK-ING, DATA ANALYSIS AND ECONOMIC IMPACT. Though the pandemic changed the immediate outlook for the industry, historic data shows the Scottsdale market area was on a positive trajectory with promotions moving the needle.

WHY WE MEASURE: ORGANIZATIONAL IMPACT

On average, Experience Scottsdale's annual direct economic impact is **\$247 million**.

Experience Scottsdale's tourism promotions directly generate an average of **\$31.4 million** in annual state and local tax revenue.

THIS REVENUE SUPPORTS ESSENTIAL PUBLIC SERVICES AND IS ENOUGH MONEY TO PAY FOR:



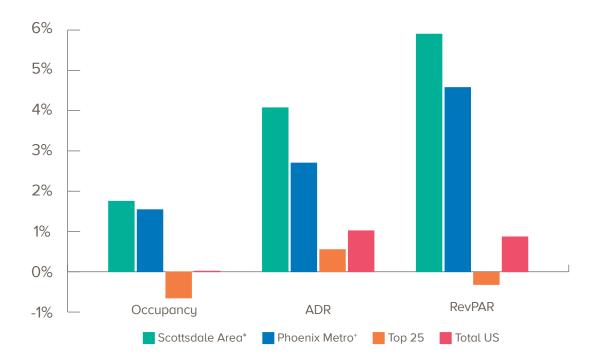
Without these travel-generated revenues, each Scottsdale household would have to pay an average of \$307 more in state and local taxes every year to maintain the same level of services.

Tourism Economics and Longwoods International 2018 Organizational Impact Study

WHY WE MEASURE: LODGING PERFORMANCE

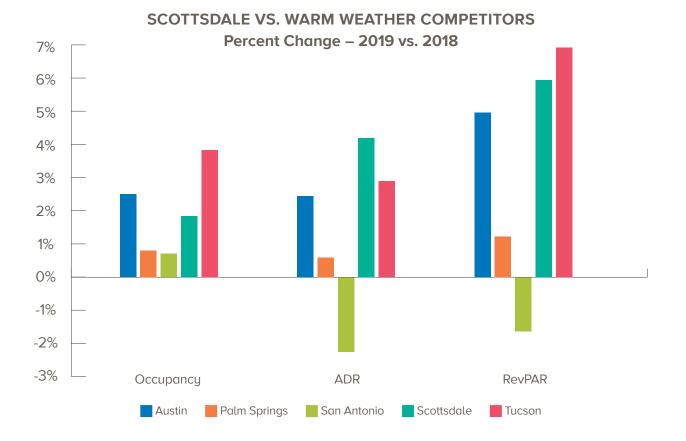
SCOTTSDALE VS. OTHER U.S. MARKETS					
2019 (January – December)					
	Scottsdale Area*	Phoenix Metro⁺	Top 25 Markets	Total U.S.	
Occupancy	70.7%	70.7%	73.1%	66.1%	
Average Daily Rate	\$211.32	\$133.36	\$158.31	\$131.21	
Revenue Per Available Room	\$149.39	\$94.23	\$115.76	\$86.76	





*Includes all hotels in Experience Scottsdale's membership, including properties in Scottsdale, Paradise Valley, Salt River Pima-Maricopa Indian Community, and a few in Phoenix +Includes Scottsdale area

STR, December 2019. Republication or other re-use of this data without express written permission of STR is strictly prohibited.



10-YEAR SCOTTSDALE AREA TOURISM INDUSTRY MEASUREMENTS



STR, December 2019. Republication or other re-use of this data without express written permission of STR is strictly prohibited.

WHY WE MEASURE: GOLF PERFORMANCE

SCOTTSDALE GOLF INDUSTRY VS. COMPETITIVE MARKETS					
2019 (January – December)					
	Scottsdale Area	Phoenix Metro	Palm Springs	Las Vegas	
Course Occupancy	53.5%	53.8%	47.5%	52.0%	
Average Rate Per Available Round	\$81.53	\$58.17	\$65.43	\$47.97	
Revenue Per Available Round	\$43.62	\$31.32	\$31.08	\$24.92	

WHY WE MEASURE: MEETINGS INSIGHT

Although Scottsdale faces tough competition, Scottsdale is viewed favorably in important meetings site considerations. When choosing a meetings site, the two most important considerations for meeting planners are "safe environment" and "clean/attractive place." Meeting planners give Scottsdale top marks in those two areas.

SCOTTSDALE AREA VS. COMPETITIVE MARKETS					
Percent of Overall Meeting Planners					
	Have/Would Consider	Used in Past Two Years	Plan to Use in Next Two Years		
Austin	45%	15%	15%		
Las Vegas	54%	22%	20%		
Orlando	50%	20%	19%		
Phoenix	43%	12%	11%		
San Diego	49%	19%	16%		
Scottsdale	34%	11%	9%		

SAGACity Golf, December 2019. Republication or other re-use of this data without express written permission of SAGACity Golf is strictly prohibited. | DestinationMAP Volume II, 2019. Republication or other re-use of this data without express written permission of STR is strictly prohibited.

- >> A 501(c)6 nonprofit destination marketing organization founded in 1987.
- A team of productive, positive people passionate about Scottsdale, our businesses, our residents and our visitors.
- Source Scottsdale's Board of Directors, 25+ volunteer, community leaders.
- >> Charting a path with a vision to establish Scottsdale as a year-round, luxury travel destination.

WHO WE ARE we are experience scottsdale

- >> Delivering on the mission to enhance the local community by promoting the Scottsdale area as a luxury destination for meetings, events and leisure travel.
- >> Strategically executing business strategies under four key objectives.
 - Generate visitor-related economic impact for the Scottsdale market area
 - 2. Foster positive relationships with customers and stakeholders
 - 3. Run an effective business
 - 4. Enhance the long-term health and development of the destination

- >> Aligning with more than 400 hospitality and tourism partners to grow the industry.
- >> Working in tandem with city of Scottsdale and town of Paradise Valley leaders and staff.
- >> Mindfully administering private and public-sector revenue via membership dues, bed-tax collections and state of Arizona, Prop. 302, dollars.