

TRANSIENT ROOM TAX SERVICES AGREEMENT

This Transient Room Tax Services Agreement (this "Agreement") is made and entered into on August 22, 2012, but made effective for all purposes as of October 1, 2012 (the "Effective Date"), by and between Grant County Chamber of Commerce, an Oregon nonprofit corporation ("Chamber"), whose address is 301 W. Main Street, John Day, Oregon 97845, and Grant County, a political subdivision of the State of Oregon ("County"), whose address is 201 S. Humbolt, Canyon City, Oregon 97820.

RECITALS:

A. Pursuant to ORS 203.035, County has power over all matters of County concern to the extent permitted under the Oregon Constitution and laws of the State of Oregon. ORS 203.010 provides County authority to enter into contracts relative to any County concern.

B. Pursuant to County Ordinance Z26018-Z26026 entitled "An Amended Ordinance Providing for a Transient Room Tax, Providing Administrative Procedures for Collecting the Tax and Establishing Criteria for Appropriation of the Tax," as amended and restated from time to time, including that certain Ordinance No. 2012-04 adopted on August 22, 2012 which amended and restated Ordinance Z26018-Z26026 in its entirety (collectively, the "Ordinance"), County is authorized to collect an eight percent (8%) transient room tax for the privilege of Hotel Occupancy.

C. Chamber desires to serve as Tax Administrator under the Ordinance and, in this capacity, administer, collect, and enforce the Ordinance.

D. The parties desire to enter into this Agreement in order to describe the terms and conditions under which Chamber will serve as Tax Administrator for and on behalf of County.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants, representations, and warranties contained in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Definitions.

Unless defined elsewhere in this Agreement, capitalized terms contained in this Agreement have the meanings assigned to them in the attached Appendix A.

2. Tax Administrator and Relationship.

2.1 Tax Administrator. Subject to the terms and conditions contained in this Agreement, County designates Chamber as Tax Administrator under the Ordinance. Chamber will perform the services, duties, and responsibilities of Tax Administrator under the Ordinance (the "Services") subject to and in accordance with the Laws. County authorizes and vests in Chamber full power and authority to perform the Services, including, without limitation, power and authority to collect Operator payments of transient room taxes as provided under the Ordinance.

2.2 Annual Filings. In connection with Chamber's performance of the Services, Chamber will file and/or provide the County Tax Assessor copies of the following documents and/or information pertaining to the Ordinance (collectively, the "Materials"):

- (a) Operator registration forms required under Section 6;
- (b) Information concerning penalties imposed and received by Chamber under Section 9;
- (c) Information concerning deficiency amounts determined and received by Chamber under Section 10;
- (d) Notice of determinations Chamber provides to an Operator under Section 11;
- (e) Redetermination petitions filed by any Operator against whom Chamber has made a deficiency determination, as provided under Section 12;
- (f) Redeterminations, as provided under Section 13;
- (g) Any fraud, refusal to collect, and/or evasion notices and determinations sent by Chamber to an Operator under Section 14;
- (h) Records concerning any actions taken to collect the amount of delinquent taxes and penalties and interest under Section 16;
- (i) Any notices of lien, enforcement actions, and release of liens provided under Section 16;
- (j) Refunds received by Chamber under Sections 17 and/or 18; and
- (k) An accounting of transient room tax funds received and expended by Chamber.

During the first three quarters under the terms of this Agreement, Chamber will submit copies of materials to County concerning any services performed by the Chamber at the end of each of the following quarters: September 30, 2012; December 31, 2012; March 31, 2013.

On or before March 31 of each calendar year during the term of this Agreement, Chamber will submit copies of the Materials to County concerning any Services performed by Chamber during the immediately preceding calendar year. This submission of the Chamber's materials is due on or before March 31, 2014.

2.3 Delegation and Reports. During the term of this Agreement, County will not delegate the responsibility for providing the Services to any person other than Chamber (nor designate any person as Tax Administrator other than Chamber). In addition, during the term of this Agreement, County will provide Chamber access to all books, documents, papers, and records of any nature pertaining to the Ordinance, Services, and/or otherwise in connection with Chamber's performance of its obligations under this Agreement. Chamber will provide County access to all books, documents, papers, and records of any nature pertaining to the Ordinance, Services, and/or otherwise in connection

with Chamber's performance of its obligations under this Agreement. Chamber will retain and keep accessible all books, documents, papers, and records that relate to this Agreement for a period of two years after the termination of this Agreement.

2.4 Relationship. Chamber is a legal entity independent of County. Chamber is not an employee of County. Subject to the terms and conditions contained in this Agreement, Chamber will be free from direction and control over the means and manner of performing the Services. Chamber has the authority to hire other persons to assist Chamber in performing the Services (and has the authority to fire such persons). This Agreement does not establish a joint venture or partnership between Chamber and County. Chamber will serve as an agent of County as contemplated under this Agreement and while acting within the scope of this Agreement, Chamber will be immune from liability for any claim in connection with Chamber's performance of the Services as provided under ORS 30.265, as amended.

2.5 Contract Administration. Executive Director will administer this Agreement on behalf of Chamber. County Tax Assessor will administer this Agreement on behalf of County. Executive Director and County Tax Assessor are designated to act as coordinating agents on behalf of Chamber and County, respectfully. Executive Director and County Tax Assessor will maintain adequate levels of communication to ensure maximum cooperation between Chamber and County and will exercise their best efforts to meet quarterly.

2.6 Mutual Cooperation. In addition to any other party obligation contained in this Agreement, in the spirit of cooperation and collaboration, and with the mutual understanding that this is a flexible working agreement among the parties, Chamber and County hereby commit to undertake the following actions: (a) support concerted, cooperative, effective, and collaborative work to ensure the successful administration and enforcement of the Ordinance; (b) promptly provide any requested information and/or documentation Chamber or County may request, including, without limitation, County's provision of any Ordinance related documentation and/or materials Chamber may deem necessary or appropriate to serve as Tax Administrator; (c) participate in meetings and conference calls as necessary or appropriate to discuss the administration and/or enforcement of the Ordinance; and (d) periodic identification of any potential barriers to achieving success of the working relationship through meetings, conference calls, and participation in developing timely solutions to any disagreements or issues.

3. Confidential Information, Insurance, and Indemnification.

3.1 Confidential Information. To the fullest extent permitted by law, during the term of this Agreement, and at all times thereafter, Chamber will maintain all Confidential Information in the strictest confidence and will not use, communicate, and/or disclose any Confidential Information to any person without County's prior written consent, except that Chamber may (a) use Confidential Information to perform the Services to the extent necessary, and (b) communicate or disclose Confidential Information in accordance with a judicial or other governmental order or as required by Law.

3.2 Insurance. During the term of this Agreement, Chamber will obtain and maintain, in addition to any other insurance required under this Agreement, general liability insurance in an amount equal to or greater than the limits for claims made under ORS 30.260 to ORS 30.302, as amended. The liability insurance policy will be in form and content satisfactory to County and will list County (and its

officers and employees) as an additional insured. Chamber will furnish County with appropriate documentation evidencing the insurance coverage (and provisions) Chamber is required to obtain under this Agreement immediately upon Chamber's execution of this Agreement.

3.3 Compliance With Laws. Chamber and County will comply and perform their respective obligations under this Agreement in accordance with the Laws, including, without limitation, Chamber's performance of the Services.

3.4 Chamber Indemnification. Chamber will defend, indemnify, and hold County, and each present and future County employee, officer, agent, and representative, harmless for, from, and against any and all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees, resulting from or arising out of the following: (a) the negligence and/or wrongful acts and/or omissions of Chamber in connection with Chamber's performance of its obligations under this Agreement; and/or (b) Chamber's breach and/or failure to perform any Chamber representation, warranty, covenant, and/or obligation contained in this Agreement. Chamber's indemnification obligations provided in this Section 3.4 will survive the termination of this Agreement.

3.5 County Indemnification. County will defend, indemnify, and hold Chamber, and each present and future Chamber director, officer, employee, member, agent, and representative, harmless for, from, and against any and all claims, actions, proceedings, damages, liabilities, injuries, losses, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees, resulting from or arising out of the following: (a) the negligence and/or other wrongful acts and/or omissions of County in connection with County's performance of its obligations under this Agreement; (b) County's acts and/or omissions concerning County's administration and/or enforcement of the Ordinance, whether such acts and/or omissions arose before, on, and/or after the Effective Date; and/or (c) County's breach and/or failure to perform any County representation, warranty, covenant, and/or obligation contained in this Agreement. County's indemnification obligations provided in this Section 3.5 will survive the termination of this Agreement.

4. Term and Termination.

4.1 Term of Agreement. Subject to the terms and conditions contained in this Agreement, the term of this Agreement will commence on the Effective Date and will remain in full force and effect until terminated as provided in this Agreement. Commencing on or about May 1, 2013, and continuing on or about the same day of each year thereafter during the term of this Agreement, Chamber and County will review this Agreement to determine whether any changes or modifications to this Agreement are necessary or appropriate. Any changes or modifications to this Agreement require the parties' mutual written agreement.

4.2 Mutual Termination and No Cause Termination. This Agreement may be terminated at any time by the mutual written agreement of Chamber and County. This Agreement may be terminated immediately by either party by providing the other party written notice if Oregon and/or federal laws or regulations are modified, changed, and/or interpreted by a court in such a way that County or Chamber does not have the authority to perform such party's obligations under this Agreement. This Agreement may be terminated by either party for any reason or no reason by providing the other party ninety (90) days' prior written notice; provided, however, notwithstanding anything contained in this Agreement to

the contrary, County may not terminate this Agreement during the first three years of this Agreement unless such termination is for cause under Section 4.3, below.

4.3 Termination for Cause. Subject to the terms and conditions contained in this Agreement, either party may terminate this Agreement immediately upon notice to the other party upon the occurrence of any of the following events: (a) continuous and repeated documented problems occur in connection with the other party's performance of such party's obligations under this Agreement; and/or (b) the other party breaches and/or otherwise fails to perform any of such party's representations, warranties, covenants, and/or obligations contained in this Agreement.

4.4 Prior Notice of Default. Prior to any party's termination of this Agreement under Section 4.3, the non-defaulting party will provide the alleged defaulting party prior written notice of the alleged default (the "Default Notice"), which Default Notice will specify with reasonable particularity the default the non-defaulting party believes exists. Commencing on the alleged defaulting party's receipt of the Default Notice, the alleged defaulting party will have thirty (30) days within which to cure or remedy the alleged default(s) (the "Cure Period"); provided, however, if the nature of the default(s) is such that it cannot be completely remedied or cured within the Cure Period, there will not be a default by the alleged defaulting party under this Agreement if the alleged defaulting party begins correction of the default within the Cure Period and thereafter proceeds with reasonable diligence to effect the remedy as soon as practicable. Notwithstanding anything contained in this Agreement to the contrary, a non-defaulting party is not required to provide, and the alleged defaulting party is not entitled to receive, a Default Notice upon the alleged defaulting party's commitment of a default under this Agreement for which the alleged defaulting party has previously received a Default Notice within the immediately preceding twelve (12) months (commencing from the date of the previous default). Termination of this Agreement will not constitute a waiver or termination of any rights, claims, and/or causes of action the non-defaulting party may have against the defaulting party.

5. Miscellaneous.

5.1 Severability, Assignment, and Binding Effect. Each provision contained in this Agreement will be treated as a separate and independent provision. The unenforceability of any one provision will in no way impair the enforceability of any other provision contained herein. Any reading of a provision causing unenforceability will yield to a construction permitting enforcement to the maximum extent permitted by applicable law. Chamber will not assign this Agreement to any person without County's prior written consent. Subject to the immediately preceding sentence, this Agreement will be binding on the parties and their respective heirs, personal representatives, successors, and permitted assigns, and will inure to their benefit. This Agreement may be amended only by a written agreement signed by each party.

5.2 Attorney Fees. With respect to any dispute relating to this Agreement, or if a suit, action, arbitration, or other proceeding of any nature whatsoever is instituted to interpret or enforce the provisions of this Agreement, including, without limitation, any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law or any action, suit, arbitration, or proceeding seeking a declaration of rights or rescission, the prevailing party will be entitled to recover from the losing party its reasonable attorney fees, paralegal fees, expert fees, and all other fees, costs, and expenses incurred in connection therewith, as determined by the judge or arbitrator at trial, arbitration, or other proceeding, or on any appeal or review, in addition to all other amounts provided by law.

5.3 Governing Law; Venue. This Agreement is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing this Agreement. Any action or proceeding arising out of this Agreement will be litigated in courts located in Grant County, Oregon. Each party consents and submits to the jurisdiction of any local, state, or federal court located in Grant County, Oregon.

5.4 Limitation. This Agreement is expressly subject to the debt limitation of Oregon counties as set forth in Article XI, Section 10, of the Oregon Constitution, and is contingent upon funds being appropriated therefore, if any are necessary for County to perform this Agreement.

5.5 Attachments; Further Assurances; No Third Party Beneficiaries. Any exhibits, schedules, instruments, documents, and other attachments referenced in this Agreement are part of this Agreement. The parties will sign other documents and take other actions reasonably necessary to further effect and evidence this Agreement. Time is of the essence with respect to County's and Chamber's performance of its obligations under this Agreement. The parties do not intend to confer any right or remedy on any third party.

5.6 Notices. All notices or other communications required or permitted by this Agreement must be in writing, must be delivered to the parties at the addresses set forth above, or any other address that a party may designate by notice to the other party, and are considered delivered upon actual receipt if delivered personally, by fax, or by a nationally recognized overnight delivery service, or at the end of the third business day after the date of deposit if deposited in the United States mail, postage pre-paid, certified, return receipt requested.

5.7 Waiver and Entire Agreement. No provision of this Agreement may be modified, waived, or discharged unless such waiver, modification, or discharge is agreed to in writing by Chamber and County. No waiver of either party at any time of the breach of, or lack of compliance with, any conditions or provisions of this Agreement will be deemed a waiver of other provisions or conditions hereof. This Agreement contains the entire agreement and understanding between the parties with respect to the subject matter of this Agreement and contains all of the terms and conditions of the parties' agreement and supersedes any other oral or written negotiations, discussions, representations, or agreements.

5.8 Execution/Counterparts. The parties may execute this Agreement in separate counterparts, each of which when executed and delivered will be an original, but all of which together will constitute one and the same instrument. Facsimile or email transmission of any signed original document will be the same as delivery of an original. At the request of either party, the parties will confirm facsimile or email transmitted signatures by signing and delivering an original document.

5.9 Person and Interpretation. For purposes of this Agreement, the term "person" means any natural person, corporation, limited liability company, partnership, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision, or any other entity. All pronouns contained herein and any variations thereof will be deemed to refer to the masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. The titles, captions, or headings of the

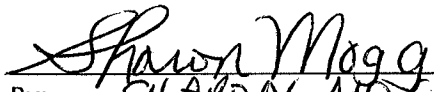
sections herein are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

[end of agreement - the signature page immediately follows]

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed on the date first written above but made effective for all purposes as of the Effective Date.

CHAMBER:

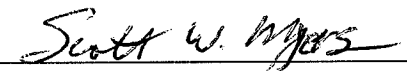
Grant County Chamber of Commerce,
an Oregon nonprofit corporation


By: SHARON MOGG
Its: EXECUTIVE DIRECTOR

COUNTY:

Grant County,
a political subdivision of the State of Oregon


Mark R. Webb, County Judge


Scott W. Myers, Commissioner

declined
Boyd Britton, Commissioner

Appendix A
Definitions

“Confidential Information” means any documentation, information, and/or materials identified in Section 21 of the Ordinance; provided, however, the term “Confidential Information” does not include any public records which are determined to be non-exempt public records under applicable federal, state, and/or local law.

“County Tax Assessor” means the County Tax Assessor of Grant County.

“Executive Director” means the Executive Director of the Grant County Chamber of Commerce.

“Hotel” has the meaning assigned to such term under the Ordinance.

“Law(s)” mean any and all applicable federal, state, and local laws, regulations, restrictions, orders, codes, rules, and ordinances related to or concerning this Agreement, the Ordinance, and/or the Services, all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated.

“Materials” has the meaning assigned to such term under Section 2.2 of this Agreement.

“Occupancy” has the meaning assigned to such term under the Ordinance.

“Operator” has the meaning assigned to such term under the Ordinance.

“Tax Administrator” has the meaning assigned to such term under the Ordinance.