

**THIS AGREEMENT** made the 23 day of November, 2016.

**BETWEEN:**

**CITY OF KELOWNA  
1435 Water Street  
Kelowna, BC V1Y 1J4**

(hereinafter called the "City")  
**OF THE FIRST PART**

**AND**

**TOURISM KELOWNA SOCIETY  
544 Harvey Ave  
Kelowna, BC V1Y 6C9**

(hereinafter called the "TK")  
**OF THE SECOND PART**

**WHEREAS:**

- 1.** The City of Kelowna and Tourism Kelowna share a common goal to promote and improve trade and commerce, as well as to improve the economic and civic welfare of the community and recognize the importance of a destination development and tourism marketing program in achieving this goal;
- 2.** Under the Municipal and Regional District Tax Program (MRDT), which is jointly administered by BC Ministry of Finance, BC Ministry of Jobs, Tourism and Skill Training and Destination British Columbia, (the Ministry), an accommodation tax is collected under Provincial Sales Tax legislation for use specific to fund tourism marketing, programs and projects.
- 3.** Under the MRDT Program, the City of Kelowna is the "designated recipient" of the Municipal and Regional District Tax (MRDT) and, as such, the City remains fully responsible for compliance with the program which includes submission of specific reports to Destination BC;
- 4.** Tourism Kelowna is the organization that delivers the tourism marketing, programs and projects on behalf of the City of Kelowna with the funds collected through the MRDT program;
- 5.** The parties agree that all reporting requirements will be as per the requirements of the Municipal and Regional District Tax (MRDT) program as prescribed by the Ministry, which may change from time to time;
- 6.** The parties hereto desire to formally establish the terms and conditions and the dates for the provision of information;

**NOW THEREFORE** this Agreement is evidence that in consideration of the MRDT funds transferred to Tourism Kelowna by the City, and the mutual promises and agreements set out herein (the sufficiency of which are hereby acknowledged by the parties), the parties agree as follows:

**Tourism Kelowna shall:**

1. Administer the funds on behalf of the City of Kelowna in accordance with the Municipal and Regional District Tax Program as prescribed by the Ministry.
2. Provide a Tourism Kelowna Five-Year Strategic Business Plan when applying for a rate change or renewal application or at minimum every five years to Destination BC. The Plan requires Tourism Kelowna Board of Directors approval and a copy of the plan should be provided to the City's Finance Department. The first Five Year Strategic Business Plan for the years 2017-2021, was submitted by Tourism Kelowna to Destination BC in the spring of 2016 as part of a rate change application.
3. On or before November 1 of every year provide a One-Year Tactical Plan based on the Five Year Strategic Plan, to the City's Finance Department for the upcoming year, in the form prescribed under the MRDT program, to allow review and signature of the form by the City's Director of Finance. The form is submitted to Destination BC by November 30 of each year by the City.
4. On or before March 1 of each year provide an Annual Performance Report based on the previous calendar year to the City's Finance Department in the form prescribed under the MRDT program, to allow review and signature of the form by the City's Director of Finance. The form is submitted to Destination BC by April 30 of each year by the City.
5. On or before March 1 of each year provide a Financial Report based on the previous calendar year to the City's Finance Department in the form prescribed under the MRDT program, in order to allow review and signature of the form by the City's Director of Finance. The form is submitted to Destination BC by April 30 of each year by the City. The Financial Report provided will have been reviewed by Tourism Kelowna's external Auditors and will be accompanied by a report on the review from the external auditors.
6. On or before December 31 of each year provide a copy of the Tourism Kelowna Audited Financial Statements for their fiscal year-end, which includes the Independent Auditors' Report.

### **City of Kelowna Covenants**

1. Should the information supplied by Tourism Kelowna be deemed insufficient to satisfy the MRDT reporting requirements, the City reserves the right to request that Tourism Kelowna provide their financial records to the City in order to obtain the necessary information and the cost of accessing and providing the information and subsequent reporting will be borne by Tourism Kelowna.
2. Should the reporting information provided be in non-compliance with MRDT program requirements the City may terminate the transfer of MRDT funding to Tourism Kelowna until such time as the non-compliance is corrected.
3. In consideration of Tourism Kelowna supplying the aforementioned required MRDT program reports of the services it has provided, the City shall continue to forward the MRDT funds received from Destination BC to Tourism Kelowna.

### **Term**

This Agreement shall remain in force for the same period as the Master Service Agreement between the parties of this agreement which specifies the liaison function between the City and Tourism Kelowna and use of the funds forwarded to Tourism Kelowna.

As evidence of their agreement to be bound by the above terms, the parties hereto have executed this Agreement on the dates indicated:


IN WITNESS WHEREOF this Agreement has been executed as of the day and year first above written.

**THE CITY OF KELOWNA, by its authorized signatories:**

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Date:

**TOURISM KELOWNA SOCIETY, by its authorized signatories:**

  
\_\_\_\_\_  
Chair, Daniel Bibby

  
\_\_\_\_\_  
President and Chief Executive Officer, Nancy Cameron

Date: *Nov 23, 2016.*