

ITEM NO. 10

STAFF REPORT



CITY OF OCEANSIDE

DATE: June 23, 2010

TO: Honorable Mayor and City Council Members
Chairman and Members, Community Development Commission

FROM: Economic and Community Development Department

SUBJECT: **ONE-YEAR PROFESSIONAL SERVICES AGREEMENT WITH VISIT OCEANSIDE, INC. FOR FY 2010-2011 IN THE AMOUNT OF \$108,000 FOR MARKETING SERVICES AND OPERATION OF THE CALIFORNIA WELCOME CENTER–OCEANSIDE**

SYNOPSIS

Staff recommends that the City Council approve a one-year professional services agreement with Visit Oceanside, Inc. ("VO") for fiscal year 2010-2011 in the amount of \$108,000 for marketing services and operation of the California Welcome Center–Oceanside; and authorization for the City Manager to execute the agreement.

BACKGROUND

On March 17, 2010, the City Council adopted a resolution establishing a Tourism Marketing District (TMD). A TMD is a special benefits district permitted under California law (Property and Business Improvement District Law of 1994, Streets and Highways code Section 36600 et seq.) in order to provide funding for a collective marketing effort to benefit tourism.

Through the TMD local Oceanside hoteliers have committed to a joint marketing program with the intention of increasing their hotel occupancy and average daily rates. From the City's perspective, the TMD will provide a greater commitment from the affected hotels and a reduction in financial support from the City while still having a joint marketing effort in place.

ANALYSIS

The funding of \$108,000 is for FY 2010-2011 only and is to accommodate the start up of the VO organization as there will be significant cash flow issues in the first quarter of 2010-2011.

The TMD assessment excluded from payment contracts entered into prior to the effective date of April 1, 2010. In addition, as Transient Occupancy Tax payments are currently made quarterly, the TMD payments will be received quarterly as well. Therefore the TMD payments for April, May and June 2010 are due by July and will not be remitted to the VO until mid-August. As such, they will have no operational funding for 6 weeks. The funding is proposed as follows to assist in this issue.

The funding to the VO for FY 2010-2011 will be comprised of a first installment of \$51,000 to be paid in July 2010 with \$37,000 paid in September 2010, \$10,000 in December 2010, and \$10,000 in March 2011, for a total of \$108,000.

As a requirement of the proposed contract, the VO will prepare a written report to the Financial Services Department once per quarter per City Council Policy 200-09. A verbal presentation will also be made to the City Council, the Economic Development Commission and the Redevelopment Advisory Committee once per fiscal year.

The VO was to reimburse the City \$21,750 that was used to hire Civitas, the consultant who assisted in establishing the TMD. Civitas was paid out of the FY 2009-10 budget: \$10,000 from the General Fund; and \$11,750 from Redevelopment Funds.

At the Economic Development Commission's June 1, 2010, meeting it was recommended that the startup costs paid by the City in FY 2009-10 not be reimbursed to the City in order to help the VO in the first year of operation. Based upon this recommendation, staff has removed the repayment of the startup costs from the Professional Services Agreement, Schedule A, Reimbursement of Funds from the Tourism Marketing District (Attachment 1) and removed the expense from the VO budget (Attachment 3).

FISCAL IMPACT

The VO agreement runs from July 1, 2010 through June 30, 2011. For FY 2010-11 the Redevelopment Fund 300305591.5305 will support \$54,000 and the General Fund 170176101.5395 will support the remaining \$54,000. Funding is included in the proposed FY 2010-11 budget.

The VO will pay the City of Oceanside an annual fee of \$10,000 to administer the TMD assessment. The administration fee will be deposited into the General Fund account number 211010101.4501S100369. The payment schedule is outlined in the Professional Services Agreement Schedule A – Reimbursement of Funds from the Tourism Marketing District.

INSURANCE REQUIREMENTS

The City's standard insurance requirements will be met.

COMMISSION OR COMMITTEE REPORT

The Economic Development Commission reviewed this request at its June 1, 2010, meeting and supports the proposed professional services agreement with the modification that the VO not be required to reimburse the City the \$21,750 paid out of the FY 2009-10 budget for the Tourism Marketing District start-up costs.

The Redevelopment Advisory Committee will review this request at its June 23, 2010, meeting and the recommendation will be reported to City Council.

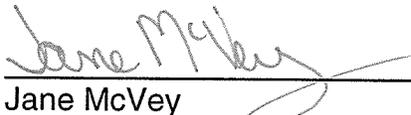
CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

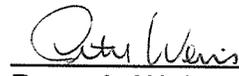
Staff recommends that the City Council approve a one-year professional services agreement with the Visit Oceanside, Inc. ("VO") for fiscal year 2010-2011 in the amount of \$108,000 for marketing services and operation of the California Welcome Center-Oceanside; and authorization for the City Manager to execute the agreement.

PREPARED BY:



Jane McVey
Economic & Community Development
Director

SUBMITTED BY:



Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager
Teri Ferro, Financial Services Director





ATTACHMENTS/EXHIBITS:

1. Professional Services Agreement
2. Visit Oceanside Workplan
3. Visit Oceanside FY 2010-11 Budget
4. Visit Oceanside Articles of Incorporation

CITY OF OCEANSIDE**PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT is made and entered into this _____ day of June, 2010, by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and the "VISIT OCEANSIDE, INCORPORATED", hereinafter designated as "VO".

RECITALS

WHEREAS, the Visit Oceanside, "VO", began operation after the approval of a Tourism Marketing District, "TMD", on March 17, 2010, which will market Oceanside and also operate the Oceanside Visitor and Tourism Information Center, which has received the designation as an official California Welcome Center (hereinafter referred to as the "Welcome Center");

WHEREAS, the VO has the primary objective of and is organized for the purpose of increasing tourism in Oceanside for, on behalf and to the benefit of its VO members, the City and its citizens; and

WHEREAS, the VO has submitted a proposal to continue to provide tourism promotion services for the City during Fiscal Year 2010-2011 and the City desires to support the VO's efforts in providing such services in accordance with the conditions, obligations and provisions set forth herein.

WHEREAS, the City of Oceanside will be receiving TMD payments from Hoteliers at the same time and in the same manner as the Transient Occupancy Tax payments and will be passing the TMD funds through to the VO, an annual administration fee of \$10,000 will be paid to the City in accordance with the attached Schedule A, for the collection and disbursement of the TMD funds.

NOW THEREFORE, in consideration of the mutual covenants hereinafter contained and for other valuable consideration, the parties hereto agree as follows:

1. **SCOPE OF WORK.** The services to be performed are more particularly described in Attachment 1, which is incorporated herein by reference and attached to this document.

1.1. **PROFESSIONAL SERVICES PROVIDED BY VO.** The professional services to be performed and provided by the VO shall consist of, but not be limited, to the following:

1.1.1. The VO shall endeavor to promote the City of Oceanside with the goal of increasing travel and tourism to the City. The VO shall utilize City funding to partially

offset the cost of those efforts. Services provided by the VO shall include marketing Oceanside lodging and hospitality facilities, providing group sales services and by providing information and assistance to visitors and tourists.

1.1.2. The VO shall prepare written quarterly financial reports to the Financial Services Department in a format provided by the City with due dates as follows: 1st Quarter – October 15, 2010; 2nd Quarter – January 15, 2011; 3rd Quarter – April 15, 2011; and 4th Quarter – July 15, 2011 as outlined in City Council Policy # 200-09. A verbal presentation will also be made to the City Council, the Economic Development Commission and the Redevelopment Advisory Committee once per fiscal year.

2. TIMING REQUIREMENTS. Time is of the essence in the performance of work under this Agreement. When called upon by the City for specific performance of any provision or obligation herein contained, the VO shall respond in the most expedient and appropriate manner under the circumstances by means of telephone, fax, hand delivery, electronic mail or regular mail.

3. CRITERIA AND STANDARDS. All work shall be performed in accordance with applicable City, State and Federal codes and criteria. In the performance of professional services, the VO shall use the degree of care and skill ordinarily exercised by similar organizations under similar conditions.

4. INDEPENDENT CONTRACTOR. The VO's relationship to the City shall be that of an independent contractor. The VO shall have no authority, expressed or implied, to act on behalf of the City as an agent, or to bind the City to any obligation whatsoever, unless specifically authorized in writing by the City. The VO shall be solely responsible for the performance of any of its employees and agents under this Agreement.

5. WORKER'S COMPENSATION. Pursuant to Labor Code Section 1861, the VO hereby certifies that the VO is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of that Code, and the VO will comply with such provisions, and provide certification of such compliance as a part of this Agreement.

6. LIABILITY INSURANCE.

6.1. The VO shall, throughout the duration of this Agreement maintain comprehensive general liability and property damage insurance, or commercial general liability insurance, covering all operations of VO, its agents and employees, performed in connection with this Agreement including but not limited to premises.

6.2. The VO shall maintain the following minimum limits:

Comprehensive General Liability Insurance
(bodily injury and property damage)

| | |
|--------------------------------------|---------------|
| Combined Single Limit Per Occurrence | \$ 1,000,000 |
| General Aggregate | \$ 2,000,000* |

Commercial General Liability Insurance
(bodily injury and property damage)

| | |
|--------------------------------|--------------|
| General limit per occurrence | \$ 1,000,000 |
| General limit project specific | \$ 2,000,000 |

| | |
|---------------------------------------|--------------|
| <u>Automobile Liability Insurance</u> | \$ 1,000,000 |
|---------------------------------------|--------------|

*General aggregate per year, or part thereof, with respect to losses or other acts or omissions of CONSULTANT under this Agreement.

6.3. All insurance companies affording coverage to the VO shall be required to name the City of Oceanside as “additional insured” under the insurance policy for all work performed in accordance with this Agreement.

6.4. All insurance companies affording coverage to the VO pursuant to this agreement shall be insurance organizations admitted by the Insurance Commissioner of the State of California to transact business of insurance in the state or be rated as A-X or higher by A.M. Best.

6.5. The VO shall provide evidence of compliance with the insurance requirements listed above by providing a certificate of insurance, in a form satisfactory to the City Attorney, concurrently with the submittal of this Agreement.

6.6. VO shall provide, upon request of the City, a true and correct copy of all applicable insurance policies.

6.7. The VO shall insure that a substitute certificate of insurance be provided no later than thirty (30) days prior to the policy expiration date. Failure by the VO to provide such a substitution and extend the policy expiration date shall be considered a default by the VO and may subject the VO to a suspension or termination of work under the Agreement.

6.8. Maintenance of insurance by the VO as specified in this Agreement shall in no way be interpreted as relieving the VO of any responsibility whatever and the VO may carry, at its own expense, such additional insurance as it deems necessary.

7. VO’S INDEMNIFICATION OF CITY. The VO shall indemnify and hold harmless the City and its officers, agents and employees against all claims for damages to persons or property arising out of or relating to the conduct of the VO or its employees, agents, subcontractors, or others in connection with or related to the execution of the work covered by this Agreement, except only for those claims arising from the sole negligence or sole

willful conduct of the City, its officers, agents, or employees. The VO's indemnification shall include any and all costs, expenses, attorneys' fees and liability incurred by the City, its officers, agents, or employees in defending against such claims, whether the same proceed to judgment or not.

Further, the VO at its own expense shall, upon written request by the City, defend any such suit or action brought against the City, its officers, agents, or employees resulting related to this particular Agreement.

The VO's indemnification of City shall not be limited by any prior or subsequent declaration by the VO.

8. COMPENSATION

8.1. The VO's compensation for all work performed in accordance with this Agreement for Fiscal Year 2010-11 shall not exceed the total contract price of **One Hundred and Eight Thousand and ⁰⁰/₁₀₀ Dollars (\$108,000.00)**. The first installment of \$51,000 to be paid in July 2010 with \$37,000 paid in September 2010, \$10,000 in December 2010, and \$10,000 in March 2011.

The parties recognize that the funds provided pursuant to this Agreement are half from City General Funds and half from Redevelopment Funds, and that the amount of funds available to the City's General Fund is subject to the finalization of the State budget and other City funding resources. Thus, notwithstanding the preceding paragraph, the amount of funds provided pursuant to this section may be subject to reduction as set forth in Section 12.

8.2 The VO shall pay the City of Oceanside \$10,000 in accordance with the attached Schedule A – Reimbursement of Funds from the Tourism Marketing District.

9. TERMINATION OF AGREEMENT. Either party may terminate this Agreement by providing thirty (30) days written notice to the other party.

If any portion of the work is terminated or abandoned by the CITY, then the CITY shall pay VO for any work completed up to and including the date of termination or abandonment of this Agreement, in accordance with Section 8. The CITY shall be required to compensate VO only for work performed in accordance with the Agreement up to and including the date of termination.

Regardless of Agreement termination date or reason, the VO will be required to comply with Section 8.2, payment to the City for all items in the attached Schedule A.

10. ASSIGNMENT AND DELEGATION. This Agreement and any portion thereof shall not be assigned or transferred, nor shall any of the VO's duties be delegated, without the express written consent of the City. Any attempt to assign or delegate this Agreement without the express written consent of the City shall be void and of no force or effect. A

consent by the City to one assignment shall not be deemed to be consent to any subsequent assignment.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

11. DURATION OF AGREEMENT. The time period covered by this agreement shall be from July 1, 2010 and terminating on June 30, 2011.

12. RE-OPENER. This Agreement shall be subject to re-opener by the City as set forth herein.

- A. Based on changes in federal and state law impacting the CITY's continued ability to provide the funds set forth in this Agreement.
- B. Events that subject the CITY to a "significant reduction" in the funding available to its general fund or Redevelopment Fund. A significant reduction in General Fund or Redevelopment fund revenues is defined as any loss of revenue sufficient to require a reduction in CITY services.
- C. The CITY shall not re-open this Agreement more than once per year for the purposes set forth in Subsection B above. Should this Agreement be re-opened by the CITY, not less than ninety (90) days notice shall be provided to CONTRACTOR advising them that the CITY has or expects to suffer a significant revenue loss and indicating how much the City Manager proposes to reduce payments to CONTRACTOR. During the ninety (90) days prior to the implementation of the decrease in payments to CONTRACTOR, the parties shall negotiate in good faith to arrive at a new agreement regarding the particular services that may be reduced in accordance with the proposed reduction in payments. The parties agree that any reduction in funding to VO may result in a commensurate reduction in VO's obligations under this Agreement.
- D. The City Manager may delegate to the Economic and Community Development Director the authority to re-open this Agreement for the purposes set forth in this Section and to effectuate any funding reductions or changes required in accordance with the terms of this Agreement.

13. ENTIRE AGREEMENT. This Agreement comprises the entire integrated understanding between City and the VO concerning the work to be performed under this Agreement and supersedes all prior negotiations, representations, or agreements.

14. INTERPRETATION OF THE AGREEMENT. The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the

State of California. The Agreement does not limit any other rights or remedies available to City.

The VO shall be responsible for complying with all Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which are otherwise lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

15. AGREEMENT MODIFICATION. This Agreement may not be modified orally or in any manner other than by an agreement in writing signed by the parties hereto.

16. NOTICES. All notices, demand, request, consents or other communications which this Agreement contemplates or authorizes, or requires or permits either party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective party as follows:

To City:

Peter Weiss, City Manager
City of Oceanside
300 N. Coast Highway
Oceanside, CA 92054-2885

To Visit Oceanside:

Leslee Gaul, President/CEO
Visit Oceanside, Inc.
928 N. Coast Highway
Oceanside, CA 92054

Either party may change its address by notice to the other party as provided herein.

Communications shall be deemed to have been given and received on the first to occur of (i) actual receipt at the offices of the party to whom the communication is to be sent, as designated above, or (ii) three working days following the deposit in the United States Mail of registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of the party to whom the communication is to be sent, as designated above.

17. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the VO and the City.

IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Professional Services Agreement to be executed by setting hereunto their signatures on the day and year respectfully written herein below.

VISIT OCEANSIDE INC.

CITY OF OCEANSIDE

Leslee Gaul
Leslee Gaul
President / CEO

Peter A. Weiss
City Manager

Dated: 6-4-10

Dated: _____

Federal Tax ID #: 27-2596227

Approved as to form:

Office of the City Attorney

John P. Muller
City Attorney

6/8/10
Dated

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of San Diego }

On 6/4/10 before me, Curtis Jackson, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Leslee Gaul
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal
 Signature [Handwritten Signature]
Signature of Notary Public



Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

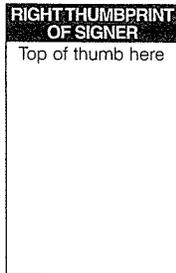
Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____

Signer Is Representing: _____



VISIT OCEANSIDE - Schedule A
 Reimbursement of Funds from the Tourism Marketing District (TMD)
 To the City of Oceanside

Reimbursement Amount to City

| | |
|----------------------------|-----------------|
| Administration of the TMD | <u>\$10,000</u> |
| Total Reimbursement | \$10,000 |

Schedule of Payments:

| | |
|---------------|-------------------|
| November 2010 | \$2,500.00 |
| February 2011 | \$2,500.00 |
| May 2011 | \$2,500.00 |
| August 2011 | <u>\$2,500.00</u> |
| | \$10,000.00 |

Reimbursement Accounts:

| | | |
|---------------------------------|-------------------|-------------|
| 211010101.4501 S100369 | <u>\$2,500.00</u> | Per Quarter |
| Total Amount per Quarter | \$2,500.00 | |

July 1, 2010 PSA
 Visit Oceanside, Inc.



Visit Oceanside 2010-2012 Business Plan

GOAL

Market Oceanside as a visitor destination through sales, marketing and brand strategy in order to increase visitor spending to the benefit of the community.

OBJECTIVES

- Operate the California Welcome Center Oceanside and assist visitors with information about Oceanside and the surrounding area, reaching 100,000 visitors annually.
- Start the process of a destination brand initiative in order to create the desire for consumers to visit Oceanside, targeting a brand launch for in 2011-2012 FY.
- Create a sales program, generating 40 qualified corporate and event leads within the first year and 65 qualified leads in year 2011-2012.
- Generate \$250,000 worth of editorial in travel, leisure, and lifestyle publications and electronic outlets with a 100% increase in value the second year.
- Develop and implement a media plan, including advertisements and co-op opportunities in publications such as the *California State Official Visitors Guide*, *Sunset*, regional publications and on-line programs in order to increase visitor inquiries by 15%, annually.
- Maintain and modify the www.visitoceanside.org site as a strong marketing tool to increase visitor spending and length of stay.
- Produce and distribute 75,000 copies of the *Official Oceanside Visitors Guide*.
- Maintain strong partnership with the Oceanside Tourism Council in order to work cooperatively to generate visitor spending in the City of Oceanside.
- Maintain funding sources with the City of Oceanside, County of San Diego as well as private funds through retail and sponsorships.
- Maintain a strong communications network to inform public officials and community leaders of Visit Oceanside and CWC Oceanside's accomplishments.

- Enhance current and develop new tracking mechanisms to measure the effectiveness of Visit Oceanside's marketing programs and monitor general tourism indicators of Oceanside.

STRATEGIES

CWC OCEANSIDE

- Maintain a visible, welcoming and informative center. The Center will act as a concierge service helping visitors plan their trip, purchase tickets to attractions and book hotel reservations.
- The Center will remain open 7 days a week, every week except the four major holidays.
- Retain and train volunteer staff; duties will include the collection, tracking and reporting of tourist-related data and fulfilling mail inquiries in a timely manner.
- Organize site visits for volunteers and staff so they can experience local attractions and hotels.
- Represent all of Oceanside's tourism related businesses and attractions in a professional manner.

BRANDING

- Research and hire a company that specializes in destination branding.
- Develop and launch a brand initiative for Oceanside in 2011-12.
- Introduce the brand strategy to key audiences through sales programs, public relations, advertising, web site, trade show booth, customer service, etc.
- Develop research in 2011-12 in order to measure effectiveness of brand identity.

SALES

- Target viable group markets for Oceanside including small corporate meetings, sporting events, military, education, religious and fraternal (SMERF) business.
- Maintain the "Local Champion" program to include mailings to local business to encourage them to utilize their own backyard.
- Conduct sales calls to Orange County, Los Angeles and Riverside Counties.
- Host a meeting planner familiarization tour and site visits for Oceanside, annually.
- Attend sports marketing tradeshow such as TEAMS conference in order to develop relationships in the sports industry and generate qualified leads.

- Create special promotion to entice group lead bookings and possible tie into a local charity.
- Purchase a sales management database.
- Send monthly email marketing pieces targeting specific sales markets with ideas and enticements to come to Oceanside.

MEDIA RELATIONS

- Produce news releases highlighting unique tourism angles as well as CWC accomplishments, including: Oceanside seasonal events to be sent quarterly and a “What’s New” press release to be sent bi-annually.
- Respond to media inquiries and provide quality photos as needed.
- Conduct one press/sales trip to Los Angeles.
- Update the Oceanside Press Kit bi-annually.
- Continue to revise and update tour book and free visitor information listings, such as *Fodors*, *AAA Tour Book*, *MobileTravel Guide* and *Frommers*.
- Continue development and organization of Oceanside’s photo library through year-round photography and outside contracts.
- Maintain investment in a media resource program such as Cision, in order to generate and maximize media coverage for Oceanside.

ADVERTISING

- Strategically target mediums that will generate awareness and provide qualified leads that we can enter into our database in order to email market back to them, creating a sense of loyalty and urgency to visit Oceanside.
- Develop a media plan that includes internet marketing and social networking to capitalize on cost-free promotional avenues as well maintain current media kits for traditional ad mediums such as *Sunset*, *Westways*, *Budget Travel*, *Good Housekeeping*, and the *California Visitors Guide*.
- Co-op with tourism industry to implement an internet marketing program that includes maximizing word search optimization, Google Adwords, Overature and banner ads with key portals.
- Develop a cooperative advertising plan that will leverage the CWC’s advertising budget by 50%.
- Create special promotions with giveaways via internet, social networking, radio and television to develop brand awareness and drive consumers to purchase Oceanside vacations.

WEBSITE

- Further develop dynamic pages on the web site to include an RFP for meeting planners, opt-in for visitors guide and email marketing campaigns, online reservations featuring hot deals and hotel packages and electronic post-cards that consumers can send to friends and family.
- Create an option to download the Official Oceanside Visitors Guide on www.visitoceanside.org.
- Maintain Visit Oceanside Blog, Facebook, Twitter, You tube and Flicker.
- Continue to add new navigational features and new graphics to layout of web site on www.visitoceanside.org and www.cwcoceanside.com.
- Create monthly email marketing postcards to consumers that have opted-in for more information on Oceanside.
- Develop email marketing post-cards for Hot Leads generated from the email campaigns to drive a sense of urgency to visit Oceanside.

COLLATERAL DEVELOPMENT

- Publish 75,000 *Official Oceanside Visitor Guides* to distribute through the Welcome Center, Certified Folder Display, all thirteen CWCs, visitor inquiries, press kits, Camp Pendleton welcome packets and tradeshow.
- Maintain sales kits that promote Oceanside as a destination for small meetings and events.
- Maintain *102 Things to Do* brochure via a sponsor.
- Develop an on-line coupon booklet that can be downloaded from the www.visitoceanside.org site to be used to generate sales for Oceanside businesses.

OCEANSIDE TOURISM COUNCIL (OTC)

- Implement an Oceanside Tourism Council Action Plan that includes co-op advertising opportunities, group sales lead generation, networking and community service.
- Facilitate 10 monthly meetings for OTC that provide a forum for networking and business development.
- Hold an Annual Tourism Summit/Annual meeting in the Spring.
- Hold an Annual Tourism Networking Showcase in the Fall.

COMMUNITY RELATIONS

- Inform City Council about the CWC Oceanside's successes through detailed annual report as well as provide press releases and clippings that highlight the Center's successes.
- Present annual reports to the Economic Development Commission.
- Invite community leaders and public officials to attend the CWC Oceanside's events, including the Oceanside Tourism Council meetings and the annual Oceanside Tourism Summit.
- Attend community and industry events that increase exposure to the California Welcome Center Oceanside
- Maintain relationship with Mira Costa College and continue to serve on the Hospitality Advisory Committee.
- Adopt and influence issues that affect the tourism industry.
- Adopt a local charity.

PROFESSIONAL STAFF DEVELOPMENT AND GROWTH

- Maintain membership to California Travel Industry Association (Caltia).
- Attend the annual California Conference on Tourism.
- Attend three quarterly California Welcome Center Manager's meetings and State Commissioners meetings.
- Maintain membership to the Western Association of Convention & Visitors Bureaus.
- Serve as Regional Ambassador for the Caltia.

RESEARCH

- Implement a inquiry conversion study (economic impact study) to determine demographic and economic impact of independent leisure visitors in 2011-12.
- Develop monthly report stating number of inquiries generated through advertising.
- Develop monthly report stating number of walk-in visitors at the Center.
- Develop reports showing on-line bookings.
- Develop report showing editorial generated along with dollar values.
- Generate reports for group sales, including room nights and event attendees.

Visit Oceanside
Proposed Budget
Fiscal Year 2010-11

Attachment 3

| Revenue | | Total | TMD | City | Visit Oceanside | County |
|--------------------------------|------|------------------|------------------|------------------|-----------------|-----------------|
| City Contract | | \$108,000 | | \$108,000 | | |
| County Contract | | \$25,000 | | | | \$25,000 |
| TMD | | \$465,000 | \$465,000 | | | |
| CWC Advertising | | \$21,500 | | | \$21,500 | |
| Certified Rack Display | | \$10,000 | | | \$10,000 | |
| Merchandise Sales | | \$7,000 | | | \$7,000 | |
| On-line Reservations | | \$2,000 | | | \$2,000 | |
| Tickets & Tours | | \$4,000 | | | \$4,000 | |
| | | | | | | |
| | | | | | | |
| Total Revenue | | \$642,500 | \$465,000 | \$108,000 | \$44,500 | \$25,000 |
| Expenditures | | Total | TMD | City | Visit Oceanside | County |
| | Amnt | | | | | |
| Description | | Total | | | | |
| Volunteer Fund Exp. | | \$5,000 | | \$1,000 | \$1,000 | \$3,000 |
| Gross Wages | | \$167,000 | \$95,300 | \$55,000 | | \$16,700 |
| Director | #### | | | | | |
| Bookkeeper | #### | | | | | |
| Marketing Asst | #### | | | | | |
| Sales Asst | #### | | | | | |
| Saturday PT | #### | | | | | |
| Payroll Taxes | | \$15,000 | \$9,500 | \$4,000 | | \$1,500 |
| Real Property Tax | | \$6,000 | \$5,000 | | \$1,000 | |
| Insurance | | | | | | |
| Health Ins. | | \$8,000 | \$4,000 | \$4,000 | | |
| W/Comp Ins. | | \$2,000 | \$1,000 | \$1,000 | | |
| Directors' Insurance | | \$1,400 | \$1,050 | \$350 | | |
| Commercial/ Liability Ins. | | \$5,000 | \$2,500 | \$2,500 | | |
| Employee Benefits | | \$3,100 | \$3,100 | | | |
| Commissions | | \$5,000 | | | \$5,000 | |
| Contributions | | \$1,000 | | | \$1,000 | |
| Other Taxes & Lic. | | \$3,000 | | | \$3,000 | |
| POS/Quickbooks | | \$1,500 | | \$1,500 | | |
| Computer Services Set-up | | \$2,500 | | \$2,500 | | |
| Computer Services (IT) | | \$3,000 | | \$3,000 | | |
| Equipment Leases | | \$5,000 | \$3,000 | | \$2,000 | |
| Depreciation | | \$4,800 | \$4,800 | | | |
| Repairs & Maint. | | \$5,000 | \$3,000 | \$1,000 | \$1,000 | |
| Utilities | | \$7,200 | \$2,800 | \$2,400 | \$2,000 | |
| Security | | \$250 | | | \$250 | |
| San Diego North CVB | | \$45,000 | \$45,000 | | | |
| Dues & Subscript. | | \$8,000 | \$2,250 | \$2,500 | \$1,000 | \$2,250 |
| Supplies | | \$6,000 | \$1,450 | \$2,000 | \$2,000 | \$550 |
| Postage | | \$15,000 | \$8,000 | \$5,000 | \$2,000 | |
| Printing & Photography | | \$1,000 | | | \$1,000 | |
| Professional Fees | | \$6,000 | \$3,500 | \$2,500 | | |
| Phones | | \$3,200 | | \$3,200 | | |
| Telephone/1-800# | | \$8,000 | \$2,000 | \$4,000 | \$1,000 | \$1,000 |
| Destination Branding | | \$75,000 | \$75,000 | | | |
| Sales | | \$35,000 | \$35,000 | | | |
| Travel/Trade Shows | | \$5,000 | \$4,000 | | \$1,000 | |
| Advertising/Promo. | | \$92,550 | \$81,550 | \$6,000 | \$5,000 | |
| Tourism Summit/Annual Meeting | | \$1,000 | | | \$1,000 | |
| Economic Impact Study/research | | | | | | |
| Public Relations-Bacon's Media | | \$7,000 | \$6,000 | | \$1,000 | |
| Web Site Development | | \$20,000 | \$10,200 | \$2,550 | \$7,250 | |
| Reserves | | \$46,000 | \$46,000 | | | |
| Miscellaneous | | \$5,000 | | | \$5,000 | |
| City of Oceanside Amin Fees | | \$10,000 | \$10,000 | | | |
| John Lambeth TMD | | \$0 | \$0 | | | |
| John Lambeth Nonprofit filing | | \$3,000 | | \$2,000 | \$1,000 | |
| | | | | | | |
| | | | | | | |
| Total Expenses | | \$642,500 | \$465,000 | \$108,000 | \$44,500 | \$25,000 |
| Net Operating Profit | | \$0 | \$0 | \$0 | \$0 | \$0 |

ARTICLES OF INCORPORATION

APR 21 2010

for

VISIT OCEANSIDE, Inc.

I

The name of this corporation is Visit Oceanside, Inc.

II

- A. This corporation is a nonprofit **MUTUAL BENEFIT CORPORATION** organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity other than credit union business for which a corporation may be organized under such law.
- B. The specific purpose of this corporation is to promote Oceanside Tourism through the development and operation of a Tourism Marketing District and other programs and initiatives.

III

The name and address in the State of California of this corporation's initial agent for service of process is:

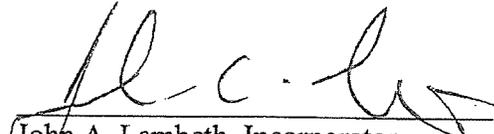
John A. Lambeth
7700 College Town Drive, Suite 111
Sacramento, CA 95826

IV

This Corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits or dividends of its members and is organized solely for nonprofit purposes. No part of the profits or net income of this Corporation shall ever inure to the benefit of any director, officer or member thereof, or to any individual. Upon the dissolution or winding up of the Corporation, after payment of, or provision for payment of, all debts and liabilities of this Corporation, the remaining assets shall be distributed to a nonprofit fund, foundation or corporation which has been formed to provide benefits or services for Oceanside and which has established its tax exempt status under §501(c) of the Internal Revenue Code. If no such corporation as described above is in existence at the time of dissolution, then the remaining assets shall be distributed to a nonprofit fund, foundation or corporation, which has established its tax-exempt status under §501(c) of the Internal Revenue Code.

V

Notwithstanding any of the above statements of purposes and powers, this corporation shall not, except to an insubstantial degree, engage in any activities or exercise any powers that are not in furtherance of the specific purposes of this corporation.


John A. Lambeth, Incorporator



State of California
Secretary of State



I, DEBRA BOWEN, Secretary of State of the State of California, hereby certify:

That the attached transcript of 2 page(s) is a full, true and correct copy of the original record in the custody of this office.

IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

MAY 15 2010



DEBRA BOWEN
Secretary of State

BYLAWS

OF

Visit Oceanside, Inc.

A California Nonprofit Mutual Benefit Corporation

ARTICLE I

NAME, OFFICE, AND PURPOSES

Section 1.01: Name

The name of this corporation shall be Visit Oceanside, Inc. and may be referred to in these Bylaws as "VO." VO shall have its principal office for transaction of business in the City of Oceanside, County of San Diego, State of California.

Section 1.02: Purpose

This Corporation is a nonprofit Mutual Benefit Corporation organized under the California Corporations Code. The purpose of this Corporation is to engage in any lawful act or activity other than credit union business for which a corporation may be organized under such law and is not organized for the private gain of any person.

Section 1.03: Specific Purpose

The specific purpose of this Corporation is to advance, promote, and foster the growth and development of tourism in the City of Oceanside and market Oceanside as a preferred visitor destination for the benefit of the community and its funding authorities pursuant to the policies established by the board.

Section 1.04: Area

The primary area to be served by VO shall be the City of Oceanside.

Section 1.05: Limitation of Methods

This corporation shall observe all local, state and federal laws which apply to a non-profit organization as defined in Section 501 (c) (6) of the Internal Revenue Code.

**ARTICLE II
DISSOLUTION**

Section 2.01: Dissolution

This corporation is not organized, nor shall it be operated, for pecuniary gain or profit, and it does not contemplate the distribution of gains, profits, or dividends to its directors and is organized solely for nonprofit purposes. No part of the profits or net income of this corporation shall ever inure to the benefit of any director, of officer thereof, or to any individual. Upon the dissolution or winding

up of the corporation, after payment of, or provision for payment of, all debts and liabilities of this corporation, the remaining assets shall be distributed to a nonprofit fund, foundation, or corporation which has established its tax exempt status under section 501(c) of the Internal Revenue Code.

ARTICLE III MEMBERSHIP

Section 3.01: Members

This corporation shall have no members within the meaning of the Nonprofit Corporation Law, as allowed by Corporation Codes §7332(a). The term member shall mean Director as used herein.

ARTICLE IV MEETINGS

Section 4.01: Annual Meeting

The annual meeting of the Corporation shall be held within the City of Oceanside, California as the Board of Directors may designate. The time, which shall be no later than February 28, and place shall be fixed by the Board of Directors in January, and notice thereof mailed at least thirty (30) days before said meeting.

Section 4.02: Board Meetings

The Board of Directors shall meet at least once each calendar month on dates as agreed upon by the Board of Directors. The Board of Directors may, at any time by majority vote, change the regularly scheduled monthly meeting date. Special meetings of the Board of Directors may be called by the Chairperson of the Board or any three Directors, provided that notice shall be given to each director stating the time, place and the business to be discussed at least twenty-four hours before the time of the meeting specified in the notice. Notice shall be delivered to the Board of Directors personally or by any other means pursuant to Government Code §54956. Notice shall also be posted at least twenty-four hours prior to the meeting. Board members may attend Board of Directors meetings by telephone in accordance with the provisions of the Ralph M. Brown Act.

Section 4.03: Quorum

At any regular or special meeting of the Board, one-third of the Directors on the Board shall constitute a quorum. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if the action taken is approved by at least one-third of the required quorum for that meeting. If less than quorum is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice other than announcement at the meeting, until a quorum shall be present. There shall be no voting by proxies or voting in absentia.

Section 4.04: Meetings of Committees

Committee meetings may be called at any time by the Chairperson of the Board, the Chairperson responsible for that committee, or the chairperson of the committee or division. A majority of the membership of the committee or division shall constitute a quorum except that when a committee consists of more than nine members, five shall constitute a quorum.

Section 4.05: Notice of Meetings

Notice of meetings of the Board and Standing Committees shall be posted pursuant to the requirements of the Ralph M. Brown Act. Each such notice shall state the general business to be transacted, the day, time, and place of such meeting, and in the case of special meetings, by whose request it was called. Business may be transacted at any regularly called meeting of the Directors in accordance with the requirements of the Ralph M. Brown Act.

Section 4.06: Telephonic Appearance

Teleconferencing, as authorized by the Ralph M. Brown Act, section 54953, may be used for all purposes in connection with any meeting. All votes taken during a teleconferenced meeting shall be by roll call. If teleconferencing is used, the Board shall post agendas at all teleconference locations and conduct teleconference meetings in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the Board. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the Board shall participate from locations within the boundaries of the City of Oceanside. The agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3 at each teleconference location.

**ARTICLE V
BOARD OF DIRECTORS**

Section 5.01: Powers

The activities, affairs and property of the Corporation shall be managed, directed and controlled, and its powers exercised by, and vested in, the Board of Directors unless otherwise provided under the California Corporations Code, the Ralph M. Brown Act, the California Public Records Act and any other applicable laws.

Each Director of the Corporation shall be entitled to one vote on each matter submitted to a vote at the meeting of the Board of Directors, except to the extent that the voting rights are limited or denied by the Articles of Incorporation.

Unless otherwise specifically authorized by the Executive Committee or the Board of Directors, only the Chair of the Board of Directors and/or the President and CEO shall be the official spokesperson(s) for VO. The President and CEO shall also be the director of tourism.

Section 5.02: Composition of the Board

The Board of Directors shall be composed of at least thirteen (13) and no more than seventeen (17) members who shall be elected or appointed in accordance with these Bylaws, unless changed by the amendment of these bylaws.

First degree relatives and/or spouses may not serve on the Board of Directors at the same time. Each assessed business may only have one (1) person representing their business, serving on the board at a given time.

Section 5.03: Selection and Election of Board Members

Initially thirteen (13) Directors shall be appointed. The Oceanside Tourism Marketing District

(OTMD) steering committee, made up of those businesses that contribute to the OTMD, shall initially select the Board of Directors. One member from each business on the steering committee may be eligible to serve on the Board.

Of the thirteen (13) appointed directors, the eight (8) directors that represent the lodging industry will appoint the remaining five (5) board positions that represent Oceanside businesses with an interest in tourism promotion. Only members in good standing shall be eligible to serve in the eight (8) seats designated for lodging industry representatives.

The Director terms shall be three (3) years with the Board structured to ensure lodging representatives that contribute to the OTMD always have a majority presence.

Section 5.04: Nomination of Directors

Recommendations for Director nominees may be submitted by members, Directors, incumbent Directors, staff, and members of the Oceanside tourism industry to the Nominating Committee.

It shall be the duty of the Board Nominating Committee to review all applications for membership on the Board of Directors, to interview all applicants and to present information on all applicants for Board membership to the Board of Directors. Based on the review of applications and the applicant interviews, the Committee shall present a slate of applicants which will include one (1) nominee for each vacant position.

Applications for membership to the Board of Directors shall be signed and submitted to the Secretary of the Corporation or designee on a written form prescribed and approved by the Board of Directors.

Section 5.05: Election

The election shall be conducted annually beginning at the end of the first full fiscal year of operation for the Corporation.

Section 5.06: Vacancies

The Executive Committee may recommend to the Board of Directors a qualified candidate to fill a vacancy on the Board of Directors. The Board of Directors shall elect, by majority vote, the proposed candidate to fill the unexpired term of the vacant position. Such an appointment to a vacant position on the Board of Directors does not constitute an "elected term" for the term limit provision of Section 5.03.

Section 5.07: Ex-officio Membership

The Board of Directors may bestow Ex-officio membership, by a simple majority vote, on any person they deem worthy. Ex-officio members shall have no voting privileges. Ex-officio members may be removed by a majority vote of the Board of Directors.

Section 5.08: Removal

Any Director may be removed at any time by the affirmative vote of a majority of the Board of Directors of the Corporation present at a noticed meeting of the Board of Directors, the notice of which shall have specified the proposed removal.

Any member who misses three consecutive regularly scheduled meetings without notifying the Chair

or President and CEO prior to the meeting that he/she will be absent is automatically removed from office. Any member whose overall attendance falls below 50% over a six-month period of time shall automatically be removed from office.

Section 5.09: Resignation

Any Director may resign at any time by delivering a written resignation to the Chairperson of the Board or the Secretary of the Corporation. The acceptance of any such resignation shall not be necessary to make the same effective.

Section 5.10: Compensation

The Directors of the Corporation shall serve as such without salary, but the Board of Directors may authorize the payment by the Corporation of the reasonable expenses incurred by the Directors in the performance of their duties and of reasonable compensation for special services rendered by any Director.

**ARTICLE VI
OFFICERS**

Section 6.01: Titles and Qualifications

The officers of the Corporation shall consist of a Chairperson of the Board, a Vice Chairperson of the Board, a Secretary, a Treasurer and such other officers as the Board may from time to time designate. The past Chairperson of the Board shall serve as an ex-officio member of the Executive Committee and shall vote in the event there is a tie vote among the other officers. Officers shall be members in good standing of the Board of Directors.

Section 6.02: Election of Officers

Each year, the board shall elect from among those who are, or are to be, Directors of the Corporation upon election, an Executive Committee consisting of those listed in section 5.01 and shall not include as voting members any person who is not a Director.

Section 6.03: Term of Office

All officers shall be elected for a term of three (3) years or until their successors are elected and qualified. A Director may serve a maximum of two (2) consecutive three (3) year terms in any one office.

Section 6.04: Chairperson and Vice-Chairperson of the Board

The Chairperson of the Board shall preside at all meetings of the Board of Directors of the Corporation and shall have such other powers and duties not inconsistent with the Bylaws as may be assigned from time to time by the Board of Directors.

The Vice-Chairperson of the Board shall possess the powers and discharge the duties of the Chairperson of the Board in the Chair's absence or disability.

Section 6.05: Secretary

The Secretary shall have the general powers and duties usually vested in the office of Secretary of a Corporation and shall have such other powers and duties not inconsistent with these Bylaws as may be assigned to him or her from time to time by the Board of Directors or the Chairperson including the powers and duties to (i) be custodian of or designate the President and CEO to be the custodian of all records, documents, and the seal of the Corporation which are to be kept at the principal office of the Corporation; (ii) affix or designate the President and CEO to affix the Corporation Seal to any instrument requiring it and to attest the same by his or her signature when authorized by the Board of Directors or when such instrument shall first have been signed by the Chairperson or the Vice Chairperson or other duly authorized officer or agent; (iii) keep the minutes of Board of Directors' meetings, and other committee meetings of the Corporation to be recorded in one or more books provided for that purpose, with the time and place of the holding of such meetings, how they were called or authorized, the notice given thereof, the names of those present, and the proceedings thereof indicated in the record; (iv) provide or designate the President and CEO to provide that proper notices are given in accordance with the provisions of these Bylaws.

Section 6.06: Treasurer

The Treasurer shall be responsible for all funds and securities of the Corporation and shall have the general powers and duties usually vested in the office of Treasurer of a Corporation and shall have such other powers and duties not inconsistent with these Bylaws as may be assigned to him or her from time to time by the Board of Directors.

**ARTICLE VII
COMMITTEES**

Section 7.01: Committees

The Board of Directors from time to time may establish committees or auxiliaries whose membership will consist of Directors and/or community members as designated by the Board of Directors. Said committees or auxiliaries shall have such duties as determined by the Board of Directors. The rules of procedure of such a committee, shall be determined from time to time by the Board of Directors. All committees and committee members, other than the Executive Committee, serve at the pleasure of the Board of Directors. The past Chairperson of the Board shall serve as an ex-officio member of all committees and shall vote in the event there is a tie.

Section 7.02: Executive Committee

The Executive Committee shall be composed of the following officers of the Corporation: Chairperson, Vice Chairperson, Secretary and Treasurer. Additionally, there shall be a member-at-large elected by a majority vote of the Board of Directors. The agency President and CEO shall serve as an ex-officio member.

The Executive Committee shall act for and on behalf of the Board of Directors when the Board is not in session, but shall be accountable to the Board of Directors for its action. The Executive Committee shall have such powers and duties as may be granted to it by the Board of Directors.

All Board members shall complete the standard job performance evaluation form for the President and CEO on an annual basis, normally in June. The Executive Committee shall compile the results

of these individual evaluations and complete a summary performance evaluation. Additionally, the Executive Committee shall develop performance goals for the President and CEO as well as suggested compensation increases. The Executive Committee shall present to the Board, with the Committee's recommendations, the summary evaluation, performance goals and compensation levels for action.

ARTICLE VIII COMPENSATION OF AND CONTRACTS WITH DIRECTORS AND OFFICERS

Section 8.01: Compensation of Directors and Officers

No Director or Officer of the Corporation shall receive, directly or indirectly, any salary compensation or gift from the Corporation.

Section 8.02: Contracts with Directors or Officers

No Director or Officer of the Corporation shall be interested, directly or indirectly, in any contract relating to the operations conducted by it, nor in any contract for furnishing services or supplies to it, unless (a) such contract shall be authorized by the majority of Directors; and (b) the facts and nature of such interest shall have been fully disclosed or shown to the members of the Board of Directors present at the meeting at which such contract is so authorized. Any "interested" Director or Officer shall not be allowed to vote on the contract.

Section 8.03: Loans to Directors and Officers

No loans shall be made by the Corporation to its Directors or Officers.

ARTICLE IX INDEMNIFICATION AND INSURANCE

Section 9.01: Indemnification

Any person (and the heirs executors and administrators of such person) made or threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was Director or Officer of the Corporation shall be indemnified by the Corporation against any and all liability and the reasonable expenses, including attorneys' fees and disbursements incurred by him or her (or by his or her heirs, executors or administrators) in connection with the defense or settlement of such action, suit or proceeding, or in connection with any appearance therein, except in relation to matters as to which it shall be adjudged in such action, suit or proceeding that such Director or Officer is liable for negligence or misconduct in the performance of his or her duties. Such right of indemnification shall not be deemed exclusive of any other rights to which such Director or Officer (or such heirs, executors of administrators) may be entitled apart from this Article.

Section 9.02: Insurance and Other Indemnification

The Board of Directors shall have the power to (i) purchase and maintain, at the Corporation's expense, insurance on behalf of the Corporation and on behalf of others to the extent that power to do so has been or may be granted by statute, and (ii) give other indemnification to the extent permitted by law.

**ARTICLE X
COMPLIANCE WITH BROWN ACT**

Section 10.01: Compliance with Brown Act

To the extent that Government Code Section 54952(c) shall require the Corporation to be subject to the open meeting requirements of the Ralph M. Brown Act, then the Board will comply with the provisions of Government Code Sections 54950 through and including 54961. To the extent that any provisions of these Bylaws are inconsistent with the Ralph M. Brown Act, the provisions of said Act shall prevail. In the event the corporation does not meet the requirements of Government Code Section 54952 (c), then the Board will not endeavor to meet the requirements of the Brown Act.

**ARTICLE XI
OPERATION AND ADMINISTRATION**

Section 11.01: Organizational Structure

The Board of Directors may create such organizational structure as is necessary to handle the operations of the Corporation in accordance with standard business and accounting principals.

The Board of Directors shall create a strategic plan for the organization and review it annually.

Section 11.02: President and CEO

The Board of Directors employs an President and CEO of the Corporation. The President and CEO shall serve as: the executive officer of the Corporation; advisor to the Chair and Board of Directors; a non-voting member of the Board of Directors and the Executive Committee; and, as an ex-officio member of all committees. The President and CEO is charged with the general supervision and management of the business affairs and staff of the Corporation and shall act as agent for service of process.

Section 11.03: Budget

The Board of Directors shall adopt an annual budget by August 15th of each year. Upon approval, the budget shall be the basis for conducting the Corporation's fiscal operations. The budget may be amended from time to time as needed. Such amendments shall be reviewed by the Executive Committee and approved by a majority vote of the Board of Directors.

Section 11.04: Fiscal Year

The Fiscal year of the Corporation shall begin on July 1, of each year and shall end on June 30.

Section 11.05: Records

Records of the Corporation shall be kept in compliance with the requirements of the California Public Records Act. There shall be maintained at the principal office of the Corporation by the agency's President and CEO all financial books and records of account, all minutes of the Board of Directors' meetings, membership meetings, and other committee meetings of the Corporation, the list of members, and copies of all other material, corporate records, books, documents and contracts.

All such books, records, minutes, lists, documents and contracts shall be made available for

inspection at any reasonable time during usual business hours, (i) by any member of the Corporation, or duly authorized representative thereof, for any lawful and proper purpose, and (ii) by any Director of the Corporation, or duly authorized representative thereof, for any lawful purpose. Upon leaving office, each Officer or agent of the Corporation shall turn over to his or her successor or the Chairperson in good order, such Corporate monies, books, records, minutes, lists, documents, contracts or other property of the Corporation as have been in the custody of such Officer or agent during his or her term in office.

Section 11.06: Deposit of Funds

All Funds of the Corporation not otherwise employed shall be deposited in such banks, trust companies, or other reliable depositories as the Board of Directors from time to time may determine. Deposits balances shall not exceed the Federal Deposit Insurance Corporation (FDIC) insured limit.

Section 11.07: Checks, etc.

All Checks, drafts, endorsements, notes and evidence of indebtedness of the Corporation shall be signed by such Officers or agents of the Corporation and in such manner as the Board of Directors from time to time may determine. Endorsements for deposits to the credit of the Corporation shall be made in such manner as the Board of Directors from time to time may determine.

Section 11.08: Loans

No Loans or advances shall be contracted on behalf of the Corporation, and no note or other evidence of indebtedness shall be issued in its name, unless and except as authorized by the Board of Directors. Any such authorization shall relate to specific transactions, and may include authorization to pledge, as security for loans or advances so authorized, any and all securities and other personal property at any time held by the Corporation.

Section 11.09: Contracts

The Chairperson, or any other Officer or other agent specifically authorized by the Board of Directors, may in the name of and on behalf of the Corporation, enter into those contracts or execute and deliver those instruments that are specifically authorized by the Board of Directors. Without the express and specific authorization of the Board of Directors, no Officer or other agent of the Corporation may enter into any contract or execution and deliver any instrument in the name of and on behalf of the Corporation.

**ARTICLE XII
AMENDMENT OF BYLAWS**

Section 12.01: Amendment of Bylaws

Except as otherwise provided herein, and subject to the power of the Directors to amend or repeal the Bylaws, these Bylaws may be altered, amended or repealed and new Bylaws may be adopted by an affirmative vote of a majority of the Directors present at any regular or special meeting, a quorum being assembled, provided that written notice of such meeting, setting forth in detail the proposed Bylaw revisions with explanations therefore, be given not less than seven (7) days prior to such meeting.

**ARTICLE XIII
MISCELLANEOUS**

Section 13.01: Annual Report

The Chairperson or his or her designee shall cause to be filed an annual report with the Oceanside City Council pursuant to Streets and Highways Code section 36650.

Section 13.02: Construction

Whenever the context so requires, the masculine shall include the feminine and neuter, and the singular shall include the plural, and conversely. If any portion of these Bylaws shall be invalid or inoperative, then so far as is reasonable and possible:

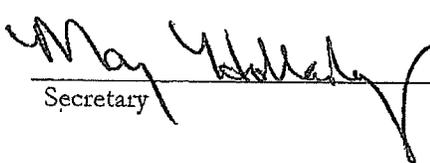
- (a) The remainder of these Bylaws shall be considered valid and operative, and
- (b) Effect shall be given to the intent manifested by the portion held invalid or inoperative.

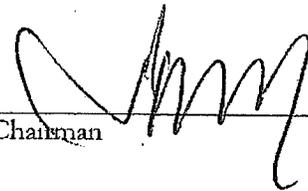
CERTIFICATE OF ADOPTION OF BYLAWS

I, the undersigned, do hereby certify:

1. That I am a duly-elected and acting secretary or chairman of Visit Oceanside, a California nonprofit mutual benefit corporation; and
2. That the foregoing Bylaws, comprising eleven (11) inclusive pages, constitute the Bylaws of said corporation and duly adopted by action of the Board of Directors of the corporation duly taken on May 12, 2010.

IN WITNESS WHEREOF, I have hereunto subscribed my name on May 21, 2010.


Secretary


Chairman