

MARKETING AND PROMOTION AGREEMENT

This Marketing and Promotion Agreement between the City of Deadwood (hereinafter “City”), its Business Improvement District No. 7, (hereinafter “Bid #7”), and ZCN, LLC, (hereinafter “ZCN”), effective as of the date of the last signature on the signature page, sets forth the terms for which ZCN will provide marketing and promotion for special events, meetings, and conventions to be held in Deadwood, South Dakota, at the Deadwood Mountain Grand Resort and Casino.

1. **Term.** The term of this Agreement shall be ten (10) years, ending on December 31, 2034, unless canceled as described in the sections below.
2. **Purpose.** BID #7 was created for the purpose of funding authorized uses intended to improve the City’s ability to attract visitors who will patronize the local lodging industry.
3. **Scope of Services.** ZCN will provide convention, meeting, and event center sales and marketing services in connection with usage by BID #7 at the Deadwood Mountain Grand Event Center. ZCN will provide a minimum of seventy-five (75) event days each year.
4. **Payment.** Each year in June, BID #7 will set aside for payment to ZCN ninety-five percent (95%) of the collected BID #7 Occupancy Taxes, up to a maximum of three hundred thousand (\$300,000) dollars for operations and up to ~~two hundred~~ **two hundred fifty thousand (\$250,000)** dollars for marketing and promotions of the Deadwood Mountain Grand Event Center. This amount will be calculated from the previous year’s BID #7 Occupancy Taxes and shall be subject to the seventy-five percent (95%) limitation as set forth herein.
5. **Annual Review.** The Parties agree that an Advisory Board consisting of representatives of BID #7, the City, the Deadwood Chamber of Commerce, and ZCN will meet annually to review promotion activities.
6. **Occupancy Tax.** BID #7 agrees to keep the two (\$2.00) dollar per night occupancy tax in effect during the ten (10) year term of this Agreement.
7. **Default by ZCN.** If ZCN fails to provide a minimum of seventy-five (75) event days each year, this Agreement may be cancelled on the next anniversary date, provided that the City and BID #7 give at least six (6) months written notice to ZCN prior to the anniversary date. If ZCN fails to perform or complete any of the covenants, terms, conditions, obligations, or responsibilities contemplated under this Agreement, the City shall no longer be obligated or required to allocate, hypothecate, pledge, or dedicate