

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE STATE OF ALABAMA DEPARTMENT OF FINANCE AND
THE ALABAMA TOURISM DEPARTMENT
FOR THE DISTRIBUTION OF CARES ACT CORONAVIRUS RELIEF FUNDS**

This Memorandum of Understanding (“Agreement”) is made by and between the State of Alabama Department of Finance, at 600 Dexter Avenue, Montgomery, Alabama 36130, hereinafter referred to as “DOF” and the Alabama Tourism Department, at 401 Adams Avenue, Montgomery, Alabama 36104, hereinafter referred to as “ATD.” DOF and ATD are hereinafter collectively referred to as the “parties.” This Agreement becomes effective upon approval of the parties and the Governor.

1. PURPOSE AND SCOPE

(a) The federal Coronavirus Aid, Relief, and Economic Security Act, hereinafter referred to as the CARES Act, established the Coronavirus Relief Fund, hereinafter referred to as CRF. The CARES Act appropriated \$150,000,000,000 to the CRF to make payments to state, local, and tribal governments for the purposes enumerated in the CARES Act, namely to respond to and mitigate the coronavirus pandemic. The State of Alabama received approximately \$1,900,000,000 from the CRF. CRF funds may only be used to cover costs that 1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19); 2) were not accounted for in the budget most recently approved as of March 27, 2020 (the date of enactment of the CARES Act) for the State or government; and 3) were incurred during the period that begins on March 1, 2020, and ends on December 30, 2020.

(b) Alabama Act 2020-199 divided the State of Alabama’s share of CRF funds into ten categories and charged DOF with the responsibility of administering the funds on behalf of the people of Alabama. One such category provides, “Up to \$300,000,000 to be used to reimburse state agencies for expenditures directly related to the coronavirus pandemic.” ATD is requesting, and DOF agrees to provide, \$10,000,000 from this category of CRF funds to support ATD’s Tourism Industry Recovery Program, hereinafter referred to as the “program,” a detailed description of which is attached hereto as Appendix A.

(c) As the program has been presented to DOF by ATD, DOF has concluded that the program is necessary to respond to and mitigate the coronavirus pandemic in Alabama. Further, DOF concludes that funding the program using the state’s CRF funds is an appropriate use of these funds under both federal and state law. DOF fully supports ATD in its efforts to support and protect the citizens of Alabama.

2. PARTIES’ RESPONSIBILITIES

(a) DOF agrees to the following:

(i) To allocate \$10,000,000 from the State’s CRF funds to fund, on a reimbursement basis, the program as described in Appendix A and for no other purpose;

(ii) To provide ATD with forms required by DOF to be completed by ATD in order to seek reimbursement under this Agreement; and

(iii) To approve or disapprove ATD's pre-approval requests in a timely manner.

(b) ATD agrees to the following:

(i) To develop, implement, and administer the program in concert with its agencies and assignees as described in Appendix A.

(ii) To seek pre-approval from DOF prior to expending funds under this Agreement;

(iii) To utilize the forms required by DOF to seek reimbursement and to seek reimbursement no more than twice per month for the preceding month's expenditures;

(iv) To provide to the State Finance Director's Office, on the fifteenth of every month, beginning October 15, 2020 until the project concludes by either completion or termination, a report detailing the progress made on the program;

(v) To use the funds provided by DOF under this Agreement in accordance with federal and state law and for the purposes set forth in this Agreement and for no other purpose; and

(vi) To spend or return any funds provided by DOF under this Agreement by December 15, 2020.

(c) The parties acknowledge and agree that CRF funds may not be used to cover payroll expenses or indirect administrative costs. Only direct administrative costs will be considered for reimbursement and such costs must be submitted for pre-approval.

3. AMENDMENT AND TERMINATION OF AGREEMENT

(a) This Agreement may be amended only by a writing signed by each party or representatives of each party and approved by the Governor.

(b) Except as set forth in this section, this Agreement may be terminated only by a writing signed by each party or representatives of each party. If DOF concludes, after a reasonable investigation and in its sole discretion as administrator of the funds under Act 2020-199, that the funds provided hereunder have been used in a manner inconsistent with federal or state law, DOF may terminate this Agreement immediately upon written notice to ATD. In the event that this agreement is terminated under this section, ATD agrees to immediately return to DOF any unspent funds provided to ATD under this agreement.

4. MISCELLANEOUS PROVISIONS

(a) The terms and commitments contained herein shall not constitute a debt of the State of Alabama, which is prohibited by Section 213 of the Official Recompilation of the Constitution of Alabama, 1901, as amended by Amendment No. 26.

(b) By signing this contract, the contracting parties affirm, for the duration of this Agreement, that they will not violate federal immigration law or knowingly employ, hire for employment, or continue to employ an unauthorized alien within the State of Alabama. Furthermore, a contracting party found to be in violation of this provision shall be deemed in breach of this Agreement and shall be responsible for all damages resulting therefrom.

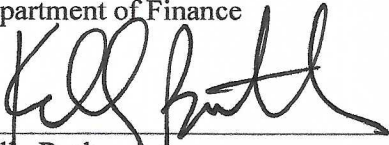
(c) In the event of any dispute between the parties, senior officials of both parties shall meet and engage in a good faith attempt to resolve the dispute. Should that effort fail, and the dispute involves the payment of money, a party's sole remedy is the filing of a claim with the Board of Adjustment of the State of Alabama. For any and all other disputes arising under the terms of this contract which are not resolved by negotiation, the parties agree to utilize appropriate forms of non-binding alternative dispute resolution including, but not limited to, mediation. Such dispute resolution shall occur in Montgomery, Alabama, utilizing where appropriate, mediators selected from the roster of mediators maintained by the Center for Dispute Resolution of the Alabama State Bar.

(d) In order to comply with federal requirements relating to the administration of grants and other federal assistance funds, DOF provides the following information to ATD: This subaward is provided to ATD through a grant to the State of Alabama in the amount of \$1,901,262,000 from the U.S. Treasury via Section 601(a)(1) of the Social Security Act (42 U.S.C. 301 et seq.), known as the Coronavirus Relief Fund, as created by Section 5001 of the CARES Act, Pub. L. No. 116-136 (March 27, 2020) under Federal Award Identification Number SLT0002 and SLT0223, CFDA #21.019 Coronavirus Relief Fund for the period March 1, 2020 to December 30, 2020. This subaward is provided in accordance with the requirements set forth in the CARES Act and other applicable federal and state law and policy, and ATD affirms that all information it has provided to DOF relating to this subaward is true and accurate. This subaward does include research and development. The parties acknowledge and understand that each subrecipient of CRF funds will be evaluated in accordance with Code of Federal Regulations, Title 2, § 200.331(b) for risk of noncompliance with federal statutes, regulations, and the terms and conditions of the subaward. Further, each subrecipients' activities will be monitored as necessary to ensure that the subaward is used for authorized purposes, in compliance with law, and that subaward performance goals are achieved. Other monitoring tools may be implemented depending on the level of risk posed by the subrecipient.

In witness whereof, the parties hereto have caused this Agreement to be executed by those officers, officials, and persons thereunto duly authorized on this 10th day of September, 2020.

[SIGNATURES APPEAR ON THE NEXT PAGE]

State of Alabama
Department of Finance



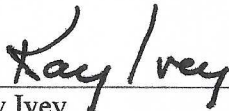
Kelly Butler
Finance Director

State of Alabama
Alabama Tourism Department



Lee Sentell
Director

APPROVED:



Kay Ivey
Governor of Alabama

Date: 9-10-2020

Tourism Industry Recovery Proposal V2

Summary:

The Alabama Tourism Department (ATD) requests \$10M to help jump start Alabama's Tourism economy around the state following a significant downturn caused by the pandemic. Studies are showing that our workforce has been one of the hardest hit during this crisis, Tourism is recommending a large scale marketing campaign for the State of Alabama.

Purpose of this Proposal:

- To communicate public health information and changes in tourism related business operations to out-of-area visitors
- To communicate that Alabama is a destination for responsible travel and venues are taking necessary steps to keep visitors safe

Key Definitions and Examples:

"Marketing activities" means multimedia marketing and advertising, including digital, broadcast, social and printed media, production of advertising and content material, market research and analysis, public relations, communication strategy, direct sales and group tour bookings, tourism development and administrative costs to execute marketing activities related to the business disruption effects of the Coronavirus Disease 2019.

Examples of Marketing Activities:

- New Content Assets such as photography and videography including Usage and copyright fees; ex.: imagery of safe practices being employed.
- New Content Collateral such as printed collateral pieces, branded materials promoting safe travel and social distancing activities, signage and branded material promoting safe travel social distancing activities at tourism offerings around Alabama (attractions, restaurants, hotels, etc.).
- New Content Production such as graphic design, infographics branded itineraries, travel tips, copywriting, website updates and SEO.
- Digital like SEM, display, geofence, social media, PPC / CPC advertising and third-party travel sites.
- Broadcast – Cable, connected TV, syndicated radio and Pandora Radio.
- Print – Travel and lifestyle publications and newspapers services.
- New Marketing Outdoor – Billboard advertising and temporary attraction signage and banners.
- Public Relations – Media outreach and pitches, guest blogs and travel influencer content development including travel expenses.
- Research – Tracking consumer sentiment and marketing effectiveness and updated visitor profiles.
- Co-ops – Regional itineraries and public relations.

Marketing and Messaging Requirements:

All marketing and messaging from this proposal will strictly adhere to local, state, and federal public health official guidance as it relates to COVID-19.

All marketing ideas regardless of type of media will be sent to a representative from the State of Alabama as designated by the Department of Finance to be vetted to ensure that it meets federal guidelines of the Cares Act.

Marketing Plan:

ATD will have its Ad Agency of Record prepare a statewide campaign that will be in direct response to the pandemic. ATD will seek input from key stakeholders in the Tourism Industry and work to have the created marketing plan showcase as many of Alabama's assets as possible. All time and expenses related to this new marketing campaign will be tracked and reported to specific billing codes so that only time and expenses related to the pandemic will be utilized with the State's portion of the federal funds. This overall marketing campaign will be setup to be done for the out-of-state audience which is ATD's primary audience, but the messages and templates created can be shared with partners around the state to be utilized as seen fit by those making decisions on the local level.

Time Frame:

All planning and execution of the Statewide marketing campaign will be done by 12/15/2020 to allow proper time to manage paperwork as set forth in the Cares Act and the Alabama Department of Finance.