

**CONTRACT BETWEEN THE NEW BRAUNFELS ECONOMIC DEVELOPMENT
CORPORATION AND THE NEUE LLC**

THE STATE OF TEXAS

§

§

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF COMAL

§

THIS CONTRACTUAL AGREEMENT (the “Agreement”) is made and entered into by and between the New Braunfels Economic Development Corporation (hereinafter "EDC") acting by and through its duly authorized officers, and The Neue LLC. (hereinafter "Developer") acting by and through its officers. The EDC and Developer shall hereinafter be referred to individually as a “Party” and collectively as the “Parties”.

WITNESSETH:

I.

WHEREAS, Texas Local Government Code §501.054 provides the EDC with the powers of non-profit corporations incorporated under the Texas Non-Profit Corporation Act, as amended, and Section Seven of the Bylaws of the EDC allows for the President and Secretary of the EDC to execute any contract which the Board has approved and authorized to be executed; and

WHEREAS, EDC desires to encourage high-quality, mixed-use development that includes residential, retail, and office uses, and that enhances the downtown environment; and

WHEREAS, the Developer intends to construct a mixed-use building (the “Project”) located at 699 W. San Antonio consistent with the plan attached as Exhibit A; and

WHEREAS, the EDC desires to provide funding to offset certain costs related to the construction of the Project and associated public right-of-way improvements and other performance deliverables; and

WHEREAS, the EDC requested the Developer undertake certain improvements within the Public Right-of-Way on Guenther and West San Antonio Streets upon construction of the Project and proposes to reimburse the Developer for design, engineering and construction costs associated with the improvements agreed to herein; and

WHEREAS, this Development Agreement is proposed to be entered into by and between the EDC

and Developer, as more fully described below and subject to the terms of this Agreement.

II. Agreement

NOW THEREFORE, under the authority granted to the EDC by §501.103 of the Texas Local Government Code and upon the recommendation of the EDC, which occurred on _____, 2025, and the approval of the City Council of the City of New Braunfels, which occurred on _____, 2025, Resolution 2025-R__ , an amount of up to \$700,000 is authorized to be allocated to Company for Public Infrastructure Improvements, including engineering and final design as defined herein, and an amount of up to \$1,500,000 is authorized to be allocated to Company for Project Improvements attributable to construction of the Project, with the total of up to \$2,200,000 to be provided

by EDC to the Company under the following conditions:

- (1) Company, at its own initial cost, shall commence immediately with the Engineering and Final Design of the Public Infrastructure Improvements set forth in Exhibit C. The Engineering and Final Design of the Public Infrastructure Improvements shall be completed within one hundred and eighty days (180) of the Effective Date of this Agreement. Company shall only proceed with construction of Public Infrastructure Improvements upon direction of EDC to commence with construction of the Public Infrastructure Improvements and shall do so following competitive bidding requirements as set forth in the Texas Government Code and shall complete the Public Infrastructure Improvements within twelve (12) months of EDC's having given direction to commence construction of such improvements. Notwithstanding the forgoing, if the Contractor is delayed, hindered, or prevented from the performance of the foregoing obligation by any reason not within the reasonable control of Contractor, then performance of the foregoing obligation will be excused for a period of such delay and the period for the performance of the foregoing obligation will be extended for a period equivalent to the period of such delay, save and except that no such period of delay shall total more than 30 days, cumulatively, without the express consent of the EDC in writing.
- (2) After delivery to EDC of the Engineering and Final Design of the Public Infrastructure Improvements set forth in Exhibit C, Company shall be eligible for reimbursement from EDC for actual costs not to exceed the maximum sum of \$100,000. Company shall be

reimbursed within 30 days of delivery of the Engineering and Final Design of the Public Infrastructure Improvements to EDC.

- (3) The Developer or its agent shall submit to the City for design review and approval of the Public Infrastructure Improvements at thirty percent (30%), sixty percent (60%) and ninety (90%) design stages. Design approvals at these interim design stages shall be given in written form by the City Engineer. Such written design approvals from the City Engineer authorizes Developer and/or its agents to advance design to the next interim percentage design step as described above or for City permitting, as appropriate.
- (4) If additional right-of-way is required, the EDC and Company agree to collaborate on a mutually beneficial approach that includes, but is not limited to, design revisions that reduce the need for additional right-of-way, the addition or securing of easements to construct designed improvements, the addition of right-of-way through formal legal means or the abandonment of the improvement causing the need for additional right-of-way.
- (5) As progress is made towards completion of the Public Infrastructure Improvements set forth in Exhibit C, Company shall be eligible for reimbursement on a monthly basis for costs of completed work on the Public Infrastructure Improvements. EDC shall reimburse such costs within 30 days of request for reimbursement by Company for Public Infrastructure Improvements. Notwithstanding the foregoing, the total sum of reimbursements provided to the Company for construction of the Public Infrastructure Improvements shall not exceed \$600,000.
- (6) Company, at its own initial cost, shall commence immediately with the eligible Project Improvements set forth in Exhibit B. The Project Improvements shall be completed within 30 months of the Effective Date. Notwithstanding the foregoing, if the Contractor is delayed, hindered, or prevented from the performance of the foregoing obligation by any reason not within the reasonable control of Contractor, then performance of the foregoing obligation will be excused for a period of such delay and the period for the performance of the foregoing obligation will be extended for a period equivalent to the period of such delay, save and except that no such period of delay shall total more than 180 days, cumulatively, without the express consent of the EDC in writing.
- (7) Notwithstanding the foregoing, the final engineering design for the Public Infrastructure Improvements and Project Improvements must be approved by the City Engineer prior to the issuance of any permits for work within the public right-of-way, and construction shall

be accepted by the City Engineer prior to the issuance of a Certificate of Occupancy for any portion of this Project that is dependent on the completion of the Public Infrastructure Improvements.

- (8) The Completion Date shall occur no later than January 1, 2028, unless otherwise agreed upon in writing by the EDC and Company.
- (9) Company shall at all times comply with the ordinances of City of New Braunfels and the laws of the State of Texas.
- (10) All funds received by Company from EDC as herein provided shall be expended solely for the purposes stated herein. In no event may funds distributed from EDC to Company pursuant to this Agreement exceed \$2,200,000. Any breach of this covenant shall be cause for immediate termination of the distribution of funds and repayment to EDC by Company of any funds already paid under this agreement

III. Definitions

Certificate of Occupancy means the final certificate of occupancy issued by the City of New Braunfels for the Site that is needed to fulfill the purpose of the Project as depicted in Exhibit A and Exhibit B.

City refers to the City of New Braunfels

City Engineer refers to the City Engineer, or equivalent Director, of the City of New Braunfels

Completion Date means the date on which the Project Improvements have passed all required municipal inspections as evidenced by the City's issuance of a final Certificate of Occupancy, and the Public Infrastructure Improvements have been accepted by the City.

Effective Date means the date on which both parties have executed this Agreement.

Engineering and Final Design of the Public Infrastructure Improvements are the engineering and final design plans for the public infrastructure depicted in Exhibit C.

Land means the tract(s) of real property and improvements thereon, as shown in the survey in Exhibit E attached hereto and made a part hereof, upon which the Project Improvements will be constructed.

NBU means New Braunfels Utilities.

Project Improvements are improvements to the Project on the Site that the EDC determine are substantially consistent with what is depicted in Exhibit A and Exhibit B and shall include 40 or more housing units that are for sale or have been sold as part of the Project, and at least 5,000 gross square feet for sale, retail and office condominiums, with a minimum capital investment of \$25,000,000.

Public Infrastructure Improvements are the public improvements within the City right-of-way that are depicted in Exhibit C.

Site refers to Company's property located at 699 West San Antonio, New Braunfels, Texas, upon which construction is substantially in accordance with Exhibit A and Exhibit B.

Term means the period from the Effective Date to July 1, 2028.

IV.

In the performance of this contract, COMPANY shall not discriminate against any person because of his/her race, color, religion, national origin, sex, disability or ancestry. Breach of this covenant may be regarded as a material breach of the contract causing its termination.

V.

It is expressly understood and agreed by both parties hereto that each acts independently of each other, and neither has the authority to bind the other or to hold out to a third party that it is the authority for the other. The parties hereto understand and agree that the City shall not be liable for any claims, which may be asserted by any third party occurring in connection with the performance of the EDC.

Nothing contained herein shall be deemed or construed by the parties hereto or by any third party as creating the relationship of employer-employee, principal agent, joint ventures or any other similar such relationships, between the parties hereto.

VI.

Employment of Undocumented Workers. During the Term of this Agreement, COMPANY agrees not to knowingly employ an undocumented worker and if convicted of a violation of 8 U.S.C. Sec. 1324a(f), the COMPANY shall repay the amount of the Grant and any other funds received by the COMPANY from the EDC as of the date of such violation within sixty (60) days after the date the COMPANY is notified by the EDC of such violation, plus interest at the rate periodically announced by the Wall Street Journal as the prime or base commercial rate, or if the Wall Street Journal shall ever cease to exist or cease to announce

a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the EDC) as it prime or base commercial lending rate, from the date of such notice until paid.

VII.

All communications between EDC and COMPANY shall be addressed to the President of the New Braunfels Economic Development Corporation, c/o City of New Braunfels, 550 Landa Street, New Braunfels, Texas 78130. Any communication to COMPANY shall be addressed to _____.

VIII.

It is understood and agreed that in the event any provision of this contract is inconsistent with requirements of law, the requirements of law will control and the parties shall revert to their respective positions, which would otherwise be enjoyed or occupied by the respective parties for the terms of this contract.

IX.

The foregoing instrument in writing between the parties herein, constitutes the entire agreement between the parties relative to the funds made the basis hereof, and any other written or oral agreement with the EDC being expressly waived by COMPANY.

IN WITNESS WHEREOF, the parties hereto execute this agreement in duplicate originals on this ____ day of ____, 2025.

CITY OF NEW BRAUNFELS
ECONOMIC DEVELOPMENT CORPORATION

By: _____
Shane Hines, *President*

Date: _____

By: _____
Larry Hammonds, *Secretary*

Date: _____

(Signatures Continue on Next Page)

THE NEUE, LLC.

By: _____

Date: _____

Before me, _____, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that _____ executed the same as the act of _____, for the purposes and consideration therein expressed.

Subscribed and sworn to be before this _____ day of _____, 2025.

Notary Public

My commission expires: _____

EXHIBIT A – Site Development Plan



OVERVIEW

Targeted delivery

Summer/Fall 2027

- **~43 Luxury Residences** – owner occupied – 72,000 sq ft total building
 - 1BR - ~825 sq ft
 - 2BR - ~1100 sq ft
 - 3BR - ~1600 sq ft
 - Penthouses - ~1200
- **3 professional services offices** – ~3,300 sq ft combined
- **2 retail spaces** – ~2,000 sq ft combined

DESIGN CONSIDERATIONS



- Property is zoned C2.
- Oriented on W San Antonio St. and creates a hard corner at Guenther Ave.
- Rear of building is ~120' from the residential area behind.
- Four stories with ample parking.
- **Materials and color tones are respectful of the downtown fabric and respond to New Braunfels' natural environment.**
- Thoughtful lighting design to minimize light pollution including zero cutoff and low-level lighting.
- Design includes **significant ROW improvements, relocation of overhead utilities, extending and expanding capacity of water and wastewater infrastructure** across San Antonio and Guenther Ave.
- **High efficiency design considerations.**
- Contech filtered drainage system onsite.
- **Enhanced sidewalks with decorative pavers, ADA compliant ramps and sidewalks.**

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EXHIBIT B – Project Improvements

Eligible Project Improvements for Reimbursement

- Costs associated with construction of electric, water, drainage and wastewater improvements
- Professional engineering, landscape architect and design costs
- Traffic control
- Streetscape improvements
- Performance bonds, insurance, contingencies, construction interest, and contractor fees
- Impact fees and permits
- Property tax reimbursements during construction

EXHIBIT C – Public Infrastructure Improvements

	GUENTHER ROADWAY IMPROVEMENTS OPINION OF PROBABLE COST	OVERALL SUMMARY
UNITS:	N/A	DATE: 10-Sep-25
NO. OF LOTS:	N/A	STATUS OF DESIGN: Conceptual
ACREAGE:	N/A	SOURCE OF UNIT PRICE: N/A
DENSITY:	N/A	DATE OBTAINED: N/A

GUENTHER ROADWAY IMPROVEMENTS

ROADWAY IMPROVEMENTS	SUB TOTAL:	\$567,207.95
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	TOTAL IMPROVEMENTS:	\$567,207.95
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ASSUMPTIONS AND EXCLUSIONS:

1. Estimate is based on a conceptual layout only and not based on final design documents.
2. Unit prices assumes dirt excavation.
3. Impact fees not included (Roadway, Sewer, Water).
4. Prices reflect present day costs.
5. Excludes anything not explicitly stated in this document.
6. Estimate does not include amenities/monumentation.
7. Estimate does not include staking improvements.
8. Estimate does not include tree ordinance/streetscape requirements.
9. Estimate does not include lighting/streetlights.
10. Guenther Ave. & Cross St. pavement improvements/sections are assumed based on discussion with reviewing agencies.
11. Estimate does not include costs associated with the NBU overhead electric to underground conversion project.
12. Estimate does not include sidewalk, curb and driveway construction costs along the frontage of the proposed Neue development
13. Estimate does not include existing storm sewer relocation. It is assumed that adequate roadway cover exists.

EXHIBIT C – Public Infrastructure Improvements, Continued



EXHIBIT D- Reimbursement Schedule

Phase	Description	Max Amount	Trigger for Reimbursement	Payment Timing
1	Engineering & Final Design (Exhibit C)	\$100,000	Submittal of final design to EDC	30 days after delivery
2	Construction of Public Infrastructure (Exhibit C)	\$600,000	Monthly invoices for completed work	30 days after request
3	Project Improvements (Exhibit B)	\$1,500,000	Completion & City/EDC approval	After completion milestones
Total		\$2,200,000		

Exhibit E- Property Survey

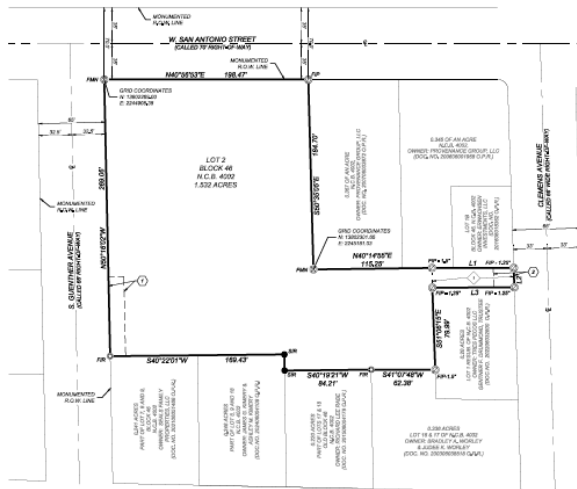
BEING A TOTAL OF 1.832 ACRES OF LAND BEING A PORTION OF A 1.937 ACRE TRACT OF LAND OUT OF LOTS 2, 4, 5, 6, 7, 16, 17, AND 18, NEW CITY BLOCK 4932, CITY BLOCK 4932, CITY OF NEW BRUNSWICK, COMAL COUNTY, TEXAS, AS RECORDED IN DOCUMENT NO. 238998066, OF THE OFFICIAL PUBLIC RECORDS OF COMAL COUNTY, TEXAS, BEING 2.521 ACRE TRACT OF LAND, BEING BLOCK 4932, CITY BLOCK 4932, NEW BRUNSWICK, TEXAS, AS RECORDED IN VOLUME 1554, PAGE 182, BOTH OF OFFICIAL PUBLIC RECORDS, COMAL COUNTY, TEXAS, AND BEING ADDITIONAL NEW BRUNSWICK, TEXAS, AS RECORDED IN VOLUME 1554, PAGE 182, BEING DEED RECORDED, COMAL COUNTY, TEXAS, AND BEING COMAL COUNTY, TEXAS, CERTAIN TRACTS RECORDED IN VOLUME 1554, PAGE 182 AND VOLUME 1074, PAGE 452, BOTH OF OFFICIAL PUBLIC RECORDS, COMAL COUNTY, TEXAS.



KEY NOTES

- 1 IF PUBLIC UTILITY EASEMENT
2 IF PUBLIC UTILITY EASEMENT
3 ACCESS EASEMENT
(CALLED RIGHT-OF-WAY EASEMENT)
(VOL. 243, PG. 481, O.P.A.)

⊙	PIR	=	FOUND FROM ROD
⊙	SEI	=	SET PIR NAIL
⊙	PIR - 1.25"	=	FOUND FROM PIRTS
⊙	PIR - 1.5"	=	FOUND FROM PIRTS - 1.5"
⊙	PIRN	=	FOUND NAIL NAIL
⊙	PIR/SE	=	RIGHT-OF-WAY
⊙	D.P.R.	=	OFFICIAL PUBLIC RECORDS OF CONAL COUNTY, TX
⊙	RI/SE	=	NEW CITY BLOCK
⊙	DOC. NO.	=	DOCUMENT NUMBER
⊙	---	=	CENTERSLINE OF ROAD
⊙	⊙	=	EASEMENT CREATED BY PLAT
⊙	⊙	=	EXISTING EASEMENT



PAGE 2 OF 2 PREPARED: OCTOBER, 2025

Date: Oct 23, 2025, 2:10pm User ID: msakthi@nms
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