

CITY OF NEW BRAUNFELS CERTIFICATION OF PUBLIC RECORD

THE STATE OF TEXAS §

COUNTY OF COMAL §

I, the undersigned City Secretary of the City of New Braunfels, Texas, so certify that the following is a true and correct copy of Ordinance No. 2026-_____ passed and approved by the New Braunfels City Council on April 13, 2026, as same appears in the Official Records of the City of New Braunfels, Texas, of which the City Secretary's Office is the lawful custodian.

WITNESSETH MY HAND and the Official Seal of the City of New Braunfels , Texas, this the 13th day of April 2026.

GAYLE WILKINSON, City Secretary

(SEAL)

ORDINANCE NO. 2026-

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF NEW BRAUNFELS, TEXAS AUTHORIZING THE LEVY OF AN ASSESSMENT AT THE RATE OF 2% OF TAXABLE ROOM-NIGHTS SOLD AT QUALIFYING HOTELS LOCATED WITHIN THE NEW BRAUNFELS TOURISM PUBLIC IMPROVEMENT DISTRICT (THE DISTRICT); SETTING THE METHOD OF PAYMENT FOR THE ASSESSMENT; APPROVING THE SERVICE PLAN FOR THE DISTRICT; AUTHORIZING AN AGREEMENT BETWEEN THE CITY, THE GREATER NEW BRAUNFELS CHAMBER OF COMMERCE, Inc., AND THE NEW BRAUNFELS TOURISM PUBLIC IMPROVEMENT DISTRICT CORPORATION REGARDING THE MANAGEMENT OF THE DISTRICT; APPROPRIATING \$320,000 IN REVENUE FOR FY 2026 TO THE DISTRICT; AND AMENDING THE FY 2026 ADOPTED BUDGET TO CREATE THE NEW TOURISM PUBLIC IMPROVEMENT DISTRICT SPECIAL REVENUE FUND.

WHEREAS, Chapter 372, as amended, Texas Local Government Code, titled the Public Improvement District Assessment Act (the Act) authorizes the creation of public improvement districts and the levy of assessments against property within the district to pay the costs of public improvement projects that confer a special benefit on property within such district; and

WHEREAS, Section 372.0035 authorizes the creation of public improvement districts common characteristics or use for projects in municipalities, specifically authorizing the creation of a tourism public improvement district made up of one or more hotels within the City limits; and

WHEREAS, the City received a petition for the creation of the New Braunfels Tourism Public Improvement District (the District) from the owners of a sufficient percentage of hotels within the City on January 30, 2026 ("the Petition"); and

WHEREAS, the Petition, has been examined, verified, and found to meet the requirements of Section 372.005(b-1) of the Act and City Council approved the creation of the District by Resolution on March 23, 2026; and

WHEREAS, the Petition included a Service Plan that calls for an assessment at the rate of 2% of taxable room-nights sold at qualifying hotels located within the District; and

WHEREAS, the City Council finds that it is in the best interests of the residents of the City of New Braunfels to adopt the proposed Service Plan as required to comply with the state law and to update the anticipated revenue numbers; and

WHEREAS, the District will be managed by the New Braunfels Tourism Public Improvement District Corporation ("NBTPIDC") in conjunction with the Greater New Braunfels Chamber of Commerce, Inc. ("CHAMBER"), in accordance with an agreement between the City, CHAMBER, and NBTPIDC; and

WHEREAS, it is contemplated that no bond funding will be used for the District; and

WHEREAS, after providing the notices required by Section 372.016 of the Act, the City Council, on March 23, 2026, conducted a public hearing on the assessment to be levied as a special assessment within the District; and

WHEREAS, after all persons having an interest in the creation of the District were given the opportunity to be heard, the City Council closed the public hearing; and

WHEREAS, the City Council has determined that the approval of this Ordinance is in the best interest of the City and its residents; **NOW THEREFORE**,

BE IT ORDAINED BY THE CITY COUNCIL FOR THE CITY OF NEW BRAUNFELS, TEXAS:

SECTION 1

THAT the City Council finds that the statements set forth in the recitals of this Ordinance are true and correct, and the Council incorporates such recitals as a part of this Ordinance for all intents and purposes.

SECTION 2

THAT a **special assessment rate** of 2% of the gross taxable hotel room night revenue of hotels with 5 or more rooms ordinarily used for sleeping within the District is levied to fund improvements and services in the District. An exception to inclusion in the District is provided to any lodging entity whose majority of revenue is derived from tickets and/or passes to an attraction. Such an exception shall not prevent such a lodging property from voluntarily contributing to or supporting the work of the District.

The assessment shall apply beginning July 1, 2026. The gross taxable hotel room night revenue will be self-reported by hotels within the District and remitted on a monthly basis in the same method used to remit payment for Hotel Occupancy Tax, which is currently due on the 20th of each month. The assessment will only apply in instances where the hotel occupancy tax is required to be collected against the room night charges.

SECTION 3

THAT the Service Plan for the District, as attached hereto as **Exhibit A**, is approved. Any future amendments of the Service Plan must also be adopted by ordinance as required by the Act.

SECTION 4

THAT the City Manager or designee is authorized to execute a three-party agreement between City, the Greater New Braunfels Chamber of Commerce, Inc., and the New Braunfels Tourism Public Improvement District Corporation regarding the management of the District, attached hereto as **Exhibit B**. Any future amendments to that agreement will require City Council action, however, such amendments may be adopted without an ordinance.

SECTION 5

THAT District revenues in the average annual amount of \$ 1,107,500 are appropriated into the NBTPID Special Revenue Fund for use in accordance with the Service Plan and the three-party agreement.

SECTION 6

THAT the FY2026 operating budget as adopted by Ordinance No. 2025-58 is amended to establish the NBTPID Special Revenue Fund to increase revenues and expenditures as the assessment will become effective on July 1st, 2026.

SECTION 7

THIS ordinance will take effect upon the second and final reading in accordance with the provisions of the Charter of the City of New Braunfels.

PASSED AND APPROVED: First reading this 23rd day March 2026.

PASSED AND APPROVED: Second reading the 13th day of April 2026.

NEAL LINNARTZ, Mayor

ATTEST:

GAYLE WILKINSON, City Secretary

APPROVED AS TO FORM:

VALERIA M. ACEVEDO, City Attorney

Exhibit A

New Braunfels Tourism Public Improvement District (NBTPID) Service Plan

Date: November 24, 2025

The New Braunfels Tourism Public Improvement District Service Plan is formulated to positively impact visitation to New Braunfels and increase overnight accommodation activity through strategic investment which will be overseen by a Board of Directors of the district. The voting members of the TPID Board of Directors will be comprised solely of lodging property representatives of hotels that participate in the New Braunfels Tourism Public Improvement District. The proposed district is designed to ensure that New Braunfels is able to successfully compete with other cities throughout the state and across the country to achieve an increased market share of event, meeting, group, and leisure travel business.

District Name

The district name shall be the New Braunfels Tourism Public Improvement District (NBTPID).

District Location

The NBTPID will be located entirely within the city limits of New Braunfels, TX (City), a Texas home-rule municipality. The boundaries of the proposed NBTPID are as shown on the attached map marked "Exhibit A" and shall solely include non-contiguous and contiguous lodging properties with five (5) or more rooms within the City of New Braunfels. An exception to inclusion in the District is provided to any lodging entity whose majority of revenue is derived from tickets and/or passes to an attraction. Such an exception shall not prevent such a lodging property from voluntarily contributing to or supporting the work of the District.

Purpose of the NBTPID

The proposed NBTPID will supplement the existing use of local hotel occupancy taxes for sales and marketing initiatives for the purpose of generating additional business, group, event, and leisure travel to New Braunfels that will generate increased lodging activities for the hotels within the District.

Method of Assessment

The NBTPID assessment will be levied on hotel properties located within the NBTPID boundaries that have five (5) or more rooms ordinarily used for sleeping and that do not derive the majority of their revenue from tickets and/or passes to an attraction. The annual assessment rate for all hotel properties within the District shall be two percent (2%) of taxable hotel room night sales. The assessment shall only apply to room night sales which are subject to local hotel occupancy tax under Texas state law. If a room night rental transaction is exempt from local hotel occupancy tax, it is also exempt from the application of the NBTPID assessment. Further, the NBTPID assessment shall not apply to prior hotel contracts for room nights or fully pre-paid hotel night reservations, that were executed prior to the creation of the NBTPID by the City Council, and for which the contract does not have a provision allowing for it to be unilaterally amended by the hotel to include a new fee.

The NBTPID budget will be allocated as shown in the Table A below:

Table A

10-year Cumulative Service Plan*

Category	%	\$'s
Marketing & Sales	85%	\$9,413,750
Research and Administration	10%	\$1,107,500
Contingency Funds	5%	\$553,750
Total	100%	\$11,075,000

*Service plan allocations, up to a 10% variance, can be allowed under any category.

The estimated annual funding for the NBTPID for the ten-year term of the District from FY 2026-FY 2035 is shown in Table B below. The estimated annual funding is forecasted to increase each year based on new lodging facilities and NBTPID activity. Expenditures of the NBTPID will be limited to actual collections, which cannot exceed the two percent (2%) assessment on each taxable room night sale by New Braunfels lodging partners with 5 or more rooms and do not derive the majority of their revenue for tickets and /or passes to an attraction, as defined in the NBTPID petition. The NBTPID will follow established statutory procedures for the addition of newly built eligible hotels into the district. Assessment revenue not expended in a fiscal year may be rolled over to the next fiscal year's budget, so long as they are allocated to the same budget category and approved by a majority vote of the NBTPID Board.

Table B

10-year Service Plan Category Percentages & Amounts

Budget Year	Est. % YOY increase	Annual Projected Budget	Marketing & Sales	Research & Administration	Contingency
		100%	85%	10%	5%
FY26 (July - Sept.)	5%	\$320,000	\$272,000	\$32,000	\$16,000
FY27	4%	\$990,000	\$841,500	\$99,000	\$49,500
FY28	4%	\$1,025,000	\$871,250	\$102,500	\$51,250
FY29	4%	\$1,070,000	\$909,500	\$107,000	\$53,500
FY30	8%	\$1,150,000	\$977,500	\$115,000	\$57,500
FY31	4%	\$1,195,000	\$1,015,750	\$119,500	\$59,750
FY32	4%	\$1,240,000	\$1,054,000	\$124,000	\$62,000
FY33	4%	\$1,290,000	\$1,096,500	\$129,000	\$64,500
FY34	4%	\$1,345,000	\$1,143,250	\$134,500	\$67,250
FY35	8%	\$1,450,000	\$1,232,500	\$145,000	\$72,500
Totals		\$11,075,000	\$9,413,750	\$1,107,500	\$553,750

Projected New Braunfels Tourism Public Improvement District Services

Supplemental Marketing (advertising and promotion) and Sales Initiatives

Fifty percent (50%) of the annual NBTPID budget is targeted for increased marketing initiatives, which will drive more overnight stays to NBTPID hotels and indirect economic activity within New Braunfels. This allocation is part of the eighty-five (85%) overall NBTPID allocation to the marketing and sales category. The percentage spent on marketing compared to sales may be adjusted by the NBTPIDC Board based on recommendations of the Greater New Braunfels Chamber of Commerce, Inc. (CHAMBER). Current hotel occupancy tax fund collections do not generate enough budget capacity for sales and marketing campaigns to drive year-round visitation to multiple audiences. NBTPID funds will generate additional capacity to expand reach in key target markets that are not accessible with current funding, such initiatives may include, but are not limited to:

a. Expand reach and frequency in primary markets

The CHAMBER has historically focused on 4 key primary markets: Houston, Dallas/Fort Worth, San Antonio and Austin at various times with various mediums throughout the year. Data shows these markets drive the majority of tourism to New Braunfels. The additional funding provided by a TPID allows marketing on a more year-round basis both within these and other key markets, and to undertake additional tactics for increased reach, frequency and market awareness.

b. Allow for advertising in secondary Texas markets

The current HOT budget does not support advertising in secondary designated marketing areas (DMA's) including but not limited to: Corpus Christi, Harlingen and Midland/Odessa for the majority of the year. The additional NBTPID funds will allow the CHAMBER to focus on these secondary markets with impactful marketing initiatives for longer periods of time. Data indicates these markets drive tourism with longer stays which provide a larger positive impact for New Braunfels businesses.

c. Experience Development/Visitor Servicing

A key strategy for the CHAMBER is to further separate New Braunfels from its competition in experience development and visitor servicing. With NBTPID funding, resources will be available to develop and enhance supplemental programs and experiences that yield heightened visitor perceptions of New Braunfels as a destination. It is also noteworthy that current HOT fund levels have allowed us to maintain the existing Visitor Center, but they only enable basic operations dependent on volunteer staff, in a location that no longer provides sufficient visitor traffic. The NBTPID funding could be utilized to relocate the visitor center downtown and support expenses as the center will enhance our ability to increase traffic and create a meaningful resource and potential revenue center. The NBTPID funds could also be used to support the creation of impactful customer service programs such as the Ambassador program geared for hospitality partners and other stakeholders aimed at increasing awareness of New Braunfels assets in different ways creating a positive and memorable experience for all tourists visiting the New Braunfels community.

Supplemental Sales (Conventions, Meetings, Sports) Initiatives

Thirty-five percent (35%) of annual NBTPID budget is targeted to supplemental sales initiatives designed to increase state and regional awareness of New Braunfels as a meeting and convention destination to generate increased hotel activity. This allocation is part of the eighty-five percent (85%) allocation for the Marketing and Sales category. The percentage of the NBTPID funding that is spent on sales compared to marketing may be adjusted by the NBTPID Board based on recommendations of the CHAMBER. Supplemental sales initiatives may include but are not limited to:

a. **Direct marketing related to group sales initiatives**

The NBTPID funding will enable us to place paid additional advertising in support of group sales efforts. Research shows paid advertising increases reach and frequency exponentially as well as provides us the ability to better target audiences generating the highest ROI.

b. **Film and Music Commissions**

A growing opportunity for Designated Marketing Organizations (DMOs) is the ability to sell their community as a film and music destination. Industry trade associations along with celebrities like Taylor Sheridan, Matthew McConaughey and Billy Bob Thornton are actively promoting Texas as a film friendly destination and NBTPID funds will provide the opportunity to tap into opportunities within this sector. Additionally, cities like Austin, Nashville and Tulsa have proven to have a rich, unique music scene which appeals to a growing sector of travelers seeking an authentic cultural experience. The NBTPID funding will allow us the ability to actively seek out opportunities in both the film and music industries to bring business, room nights, and exposure for New Braunfels.

c. **Tradeshows/Sales Missions (FAM tours)**

To ensure success, the CHAMBER must increase its involvement and engagement with travel/tradeshow associations. A focus on increased sales initiatives will lead to additional site visits for industry tradeshows. It is important to bring meeting planners to our destination so that they can experience first-hand all that New Braunfels has to offer.

d. **Sales Servicing and Staffing**

The expansion of our overall sales and marketing efforts for both leisure and group travel may require additional staff and contract resources.

e. **National Industry Organizations**

The ability to develop strong partnerships with meeting planner groups is critical to the future success of growing group room nights. Current HOT funding allocations limit the capacity of the CHAMBER to attend certain key industry meetings throughout the year that include meeting planners that would likely be interested in New Braunfels as a destination for their events; the NBTPID will help enhance this capacity to attend these regional and national meetings.

f. **Events Bid Fund/Incentives**

Currently, the CHAMBER budget does not have the capacity to offer incentives for groups and organizations to bring their events or group business to New Braunfels. The NBTPID would provide funding to offer competitive incentives and sponsorships that will enable us to better compete to secure key groups that will host their meetings in New Braunfels. These funds will also support transportation incentives which is a primary obstacle in recruiting meetings. With the limited number of hotels with meeting space, transportation incentives will help cover the cost for potential groups to transport attendees from a cadre of hotels to secondary meeting, event, and attraction venues.

Research and Administration Initiatives

Ten percent (10%) of the annual NBTPID budget will be allocated toward research initiatives and for the administrative costs of administering the TPID. With the NBTPID investment in additional marketing for both leisure and group travel, combined with the increased sales initiatives, it is possible that additional CHAMBER and/or contract sales staff may be necessary. Any such initiatives will be presented to the NBTPID Board for their review and potential approval. It will also be important for the NBTPID to have the ability to conduct thorough research to make educated recommendations as well as to be able to track and analyze the results/impact of NBTPID funded marketing and sales initiatives. The allocation to research is essential to maximizing the impact of every TPID dollar. The administrative and research costs may include, but would not be limited to the following:

a. **Administrative Costs**

The City of New Braunfels will incur additional costs from its collection of TPID fees and the NBTPID will be responsible for reimbursing the City for such costs. The NBTPID may also need to cover limited additional CHAMBER expenses for legal counsel, administration of the district, and supplemental finance and accounting assistance needed to administer the NBTPID funds.

b. **Research**

Growing our tourism and hotel activity will require a continued dedication to research and prospecting programs to ensure a strong ROI from the sales and marketing initiatives undertaken by the NBTPID. Current hotel occupancy tax fund levels have allowed us to conduct some of this essential research, but with the NBTPID funding, we will be able to garner higher level and more strategic ROI measurements and data as well as use industry-leading sales prospecting tools.

Contingency Funds

Five percent (5%) of annual NBTPID budget will be allocated to NBTPID contingency funds to allow consistent operation of the NBTPID Service Plan during unexpected economic challenges and to be prepared to address new opportunities within each budget category.

**NOTICE OF OBLIGATION TO PAY IMPROVEMENT DISTRICT ASSESSMENT TO NEW
BRAUNFELS, TEXAS**

CONCERNING THE FOLLOWING HOTEL PROPERTY

Hotel Property Address

As the purchaser of the real property described above, you are obligated to pay assessments to New Braunfels, Texas, for the costs of a portion of a public improvement or services project (the "Authorized Services") undertaken for the benefit of the property within the New Braunfels Tourism Public Improvement District (the "District") created under Subchapter A, Chapter 372, Local Government Code.

AN ASSESSMENT HAS BEEN LEVIED AGAINST YOUR PROPERTY FOR THE AUTHORIZED SERVICES, WHICH MUST BE PAID IN FULL WITH EVERY PAYMENT BY THE HOTEL OF LOCAL HOTEL OCCUPANCY TAX REMITTANCES TO THE MUNICIPALITY. YOUR FAILURE TO PAY THE ASSESSMENT MAY RESULT IN PENALTIES AND INTEREST BEING ADDED TO WHAT YOU OWE, AND MAY INCLUDE THE PURSUIT OF ANY OTHER REMEDY THAT IS AUTHORIZED UNDER SECTION 372.0035(d), LOCAL GOVERNMENT CODE.

The amount of the assessment is 2 percent of all taxable room night sales.

Hoteliers typically pass this 2 percent TPID assessment onto the hotel guests in the form of a two percent TPID fee on each taxable room night folio.

Information about the calculation of the assessment may be obtained from the City of New Braunfels. The exact assessment rate will be approved each year by the New Braunfels City Council in the annual service plan update for the district. More information about the assessments, including the assessment rate and due dates, may be obtained from the City of New Braunfels. The undersigned purchaser acknowledges receipt of this notice before the effective date of a binding contract for the purchase of the real property at the address described above.

Date:

Signature of Purchaser:

EXHIBIT B

**CONTRACT BETWEEN THE CITY, THE GREATER NEW BRAUNFELS CHAMBER OF
COMMERCE, INC. AND THE NEW BRAUNFELS TOURISM PUBLIC IMPROVEMENT DISTRICT
CORPORATION FOR THE COLLECTION OF ASSESSMENTS AND PROVISION OF SERVICES
AND IMPROVEMENTS FOR THE NEW BRAUNFELS TOURISM PUBLIC IMPROVEMENT
DISTRICT**

STATE OF TEXAS §
 §
COUNTY OF COMAL §

CONTRACT FOR THE NEW BRAUNFELS TOURISM PUBLIC IMPROVEMENT DISTRICT

This contract for the collection of assessments and provision of services and improvements for the New Braunfels Tourism Public Improvement District (the "Contract") effective as of July 1, 2026 is made by and between the New Braunfels Tourism Public Improvement District Corporation, ("NBTPIDC"), a Texas nonprofit corporation, the Greater New Braunfels Chamber of Commerce ("", Inc. hereinafter called ("Chamber") a Texas nonprofit corporation (with the activities undertaken on behalf of the Chamber by the New Braunfels Convention and Visitors Bureau, a division within the New Braunfels Chamber), and the City of New Braunfels (the "City"), a Texas municipal corporation.

RECITALS:

WHEREAS, on March 23, 2026, the New Braunfels City Council, passed Resolution No. 2026-R__ that made certain findings concerning the advisability of establishing the New Braunfels Tourism Public Improvement District (the "District"), authorized and created the District as a public improvement district under Chapter 372 of the Texas Local Government Code, designated the NBTPIDC as the entity responsible for the oversight of the management of and provision of services and improvements to the District, authorized the City Manager to enter into a contract with NBTPIDC and New Braunfels Chamber ("CHAMBER") for the provision of services and improvements for the District and collection services by the City for the District, and approved the initial District service plan in Ordinance No. 2026-____, attached hereto as **Exhibit A** (the "Service Plan"); and

WHEREAS, NBTPIDC shall be the primary entity responsible for the oversight of services and improvements to the District, but CHAMBER shall implement the Service Plan for the District under NBTPIDC's oversight; and

WHEREAS, the Board of Directors of NBTPIDC and the Board of Directors of the CHAMBER have each passed a resolution authorizing their respective entities to enter into this Contract and authorizing Chair to sign on behalf of NBTPIDC to bind the corporation under this Contract, and the CHAMBER's President & CEO to sign on behalf of CHAMBER; and

WHEREAS, the City, NBTPIDC and CHAMBER now desire to enter into this Contract for the collection of the assessments and the management of the provision of services and improvements to the District; and

WHEREAS, the services to be supplied to the District provide special benefits to the property owners within the District and are supplemental to standard City services.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, NBTPIDC, CHAMBER and the City agree as follows:

1. **Engagement and Compensation.** The City hereby engages NBTPIDC and CHAMBER and they agree to provide in accordance with the provisions of this Contract and Resolution No. 2026- R__the services and improvements described in the Service Plan and future annual service plans to be approved by NBTPIDC and the City Council. The amount to be allocated CHAMBER for the administration of the program items shall not exceed the amount established for "Administration" by each annually approved service plan (as same may be later modified pursuant to Section 2(a) of this Contract). The amount to be paid to the City for any administrative costs for implementation or oversight of the program items shall be twenty percent (20%) of the ten percent (10%) collected under the research and administration category annually. This compensation is necessary for the City to recover its costs associated with performing its duties under this Agreement.
2. **Scope of Services.** Throughout the duration of this Contract, NBTPIDC and CHAMBER shall provide the services and improvements as described in the Service Plan and thereafter approved annually by the City Council. In providing these services and improvements,
NBTPIDC and CHAMBER shall:
 - (a) timely deliver the services and improvements in accordance with the annually approved service plan, subject to NBTPIDC's ability to modify items within the City Council approved program categories if NBTPIDC determines that such changes would serve the common interest of owners in the District and the increase or decrease in the amount of a program category does not exceed ten percent (10%) of the budgeted amount for that category. The Service Plan and each such

annually approved service plan as same may thereafter be increased or decreased shall be hereafter referred to as the "Service Plan," and must be approved by ordinance to comply with state law. "Program categories" in the Service Plan include marketing and sales activities and other services as provided in the Service Plan;

- (b) only use District assessment funds received to defray expenditures which:
 - (i) fit within the noted categories specifically listed in the Service Plan; and (ii) incurred after July 1, 2026 (hereinafter called "allowable costs"), other than allowable startup costs as referred to in the "Start-Up Costs for Creation of the PID" section of Exhibit 2;
- (c) support all costs covered by District assessment funds by properly executed checks, orders, payrolls, time records, invoices, contracts, vouchers, or other accounting documents evidencing in detail the nature and propriety of the charges. Such documentation shall be clearly identified, readily accessible and, to the extent possible, kept separate and apart from all other such documents;
- (d) set priorities and schedules for implementing the service plan elements, considering the needs and preferences of owners in the District and the availability of personnel and financial resources;
- (e) if necessary, secure and retain the services of qualified personnel or contracted services to implement the service plan and provide communication equipment and office supplies as approved by the NBTPIDC Board;
- (f) prepare a timely annual update of the Service Plan for the District to be presented to the City Council for annual review and approval by ordinance. The plan will include an updated assessment roll, along with an updated service plan; for the remainder of the term of the District.
- (g) commission an annual financial audit of the TPID financials by a Certified Public Accountant and make the audit available to the City no later than 120 days after the end of the fiscal year;
- (h) allow reasonable access as provided under the Texas Public Information Act to the City of the financial records of NBTPIDC and CHAMBER that relate to the District;
- (i) enter into contracts with jurisdictions for provision of services or improvements to the District;

- (j) prepare and deliver to the City quarterly/annual financial reports in a timely manner as listed in **Exhibit B**; and
- (k) take other actions reasonably necessary for the management of the District and the provision of the services and improvements to the District;

3. **Collection and Distribution of Assessments.** The City shall collect the annual assessments for the District along with the other local hotel occupancy taxes paid by hotels within the District. Funds shall be accounted for and distributed as provided below.

- (a) The assessments received will be transferred to CHAMBER on a quarterly basis. Assessments collected after the District has been dissolved shall be retained by the City, but the retention of such assessments shall be subject to utilization by the District for any prior executed debt of the District and to repay any hotel that is legally entitled to a refund of all or a portion of an assessment and any interest required by law to be paid.
- (b) All assessments, including any interest for late payments, shall be transferred on a quarterly basis to an account of the CHAMBER for the benefit of the NBTPIDC by Automated Clearing House, wire transfer or other means mutually agreed to by the City and CHAMBER. The District assessment collection process is explained in **Exhibit C**.
- (c) Pursuant to Section 2 above, the City hereby expressly acknowledges that NBTPIDC is contracting with CHAMBER to implement the funded activities of the District, more specifically: to enhance services, undertake certain improvements, and in particular, special supplemental services relating to District marketing, business recruitment (sales initiatives), and promotional activities to increase demand for transient, business, convention, group, event, and other hotel activity generating business to the City of New Braunfels. A copy of the NBTPIDC/CHAMBER contract is included as **Exhibit D**.
- (d) Beginning on July 1, 2026 the City shall levy against each hotel within the District an assessment of two percent (2%) of the taxable room night sales at that hotel, with the cumulative amount of assessments against all of the NBTPID hotels defined as the NBTPID annual revenue. The City shall each fiscal quarter allocate the quarterly NBTPID revenue to CHAMBER for the supplemental marketing and sales services during each of the 10 years of the existence of the TPID. Each year during the City's annual budget process, the City shall allocate an estimated

annual appropriation of the actual collected NBTPID revenue to be paid to CHAMBER.

- (e) The City shall provide CHAMBER with electronic copies of the assessment roll. CHAMBER shall make that information available to the NBTPIDC Board.
 - (f) If necessary, NBTPIDC or its contractor shall make available to the tax collector sufficient funds to repay any taxpayer who is legally entitled to a refund of all or a portion of an assessment and any interest required by law to be paid. City shall make a good faith effort to notify NBTPIDC of such potential situations (including, but not limited to lawsuits) so that NBTPIDC is able to set aside a sufficient reserve to cover any such refunds and interest.
 - (g) NBTPIDC or its contractor will invest the District assessments received from the City and any income earned on those assessments in accordance with the investment policies and strategies prescribed in Chapter 2256 of the Texas Government Code to achieve the following investment objectives, in order of priority:
 - (1) understanding of the suitability of the investment to the financial requirements of the entity;
 - (2) preservation and safety of principal;
 - (3) liquidity;
 - (4) marketability of the investment if the need arises to liquidate the investment before maturity;
 - (5) diversification of the investment portfolio; and
 - (6) yield.The assessments and any interest or other income earned on such public funds shall be used by NBTPIDC and CHAMBER to fund services and improvements that are consistent with the expenditure categories listed in the Service Plan that is annually approved by the City Council.
4. **Conflict of Interest.** By signing this Contract, the NBTPIDC and CHAMBER both acknowledge to the City that it has made and will continue to make full disclosure in writing of any existing conflicts of interest or potential conflicts of interest, including personal financial interest, direct or indirect, in property and business relationships that relate to the duties of the NBTPIDC. The NBTPIDC and CHAMBER further agree that it shall make disclosure in writing of any conflicts of interest which develop subsequent to the signing of this Contract and prior to its termination.
5. **Discrimination Prohibited.** NBTPIDC and CHAMBER, in the execution, performance, or attempted performance of the Agreement, shall not willfully discriminate against any person or persons because of sex, race, religion, color or national origin, nor will NBTPIDC or CHAMBER permit its officers, agents, employees or subcontractors to engage in such discrimination.

6. **Gift to Public Servant.** City may terminate this Contract immediately if NBTPIDC or CHAMBER after notice by the City, has failed within a reasonable time period to cure an inappropriate or illegal offer or agreement to confer any benefit upon a City employee or official that the City employee or official is prohibited by law from accepting.

For purposes of this section, “benefit” means anything reasonably regarded as pecuniary gain or pecuniary advantage, including benefit to any other person in whose welfare the beneficiary has a direct or substantial interest, but does not include a contribution or expenditure made and reported in accordance with law, or an expenditure that is permitted under existing city ethics ordinances/policies.

Notwithstanding any other legal remedies, City may require NBTPIDC and/or CHAMBER to remove any employee of NBTPIDC or of CHAMBER who has violated the restrictions of this section or any similar state or federal law, and obtain reimbursement for any expenditures made as a result of the improper offer, agreement to confer, or conferring of a benefit to a City employee or official.

7. **No Partnership or Joint Venture.** It is specifically understood that the relationship described in this Contract between NBTPIDC, CHAMBER, and the City is contractual in nature and is not to be construed to create an agency, partnership or joint venture relationship between NBTPIDC, CHAMBER, and the City; nor shall the City be liable for any debts incurred by the NBTPIDC or CHAMBER in the conduct of such other party’s business or function.
8. **Independent Contractor.** NBTPIDC’s and CHAMBER’s status shall be that of independent contractors and not an agent, servant, employee, or representative of the City in the performance of services under this Contract. NBTPIDC and CHAMBER shall exercise independent judgment in performing duties under this Contract and are solely responsible for setting working hours, scheduling or prioritizing the work flow and determining how the work is to be performed. No term or provision of this Contract or act of NBTPIDC or CHAMBER in the performance of this Contract shall be construed as making NBTPIDC or CHAMBER the agent, servant or employee of the City, or making NBTPIDC or CHAMBER or any of their employees eligible for the fringe benefits, such as retirement, insurance and worker’s compensation, which City provides its employees.
9. **Assignment.** NBTPIDC and CHAMBER shall not sell, assign, transfer or convey this Contract, in whole or in part, without the prior written consent of the New Braunfels City Manager. As an express condition of consent to any assignment, NBTPIDC and CHAMBER shall remain liable for completion of the Contract work in the event of default by the successor contractor or assignee.

10. **Insurance.**

(a) The NBTPIDC shall, at its own expense, maintain in full force and effect throughout the term of this Contract insurance as set forth below:

1. The Chamber shall maintain a comprehensive general liability insurance policy, with an insurance company or companies authorized to do business in the State of Texas, which shall include bodily injury, property damage, contractual and automobile liability coverage with a minimum coverage of not less than \$1,000,000. In addition, workers' compensation insurance coverage shall be provided by the Chamber in accordance with State Law.

(b) Other Requirements:

1. The City shall be named as an additional insured and a waiver of subrogation in favor of the City shall be provided on every applicable insurance policy. The NBTPIDC and CHAMBER hereby waive subrogation rights for loss or damage to the extent same are covered by insurance. Insurers shall have no right of recovery or subrogation against the City.
2. The term "CITY" shall include all authorities, boards, bureaus, commissions, divisions, departments and offices of the City, and the individual members, employees and agents in their official capacities.
3. The term "CHAMBER" shall include the New Braunfels Convention and Visitors Bureau Division within the New Braunfels Chamber of Commerce Inc.
4. Insurance shall be provided through companies duly approved to transact that class of insurance in the State of Texas.
5. Certificates of insurance shall be provided to the City Manager. Thirty (30) days written notices is required before any insurance is altered, cancelled, or non-renewed.

City of New Braunfels
Attn: City Manager
550 Landa St.
New Braunfels, Texas 78130

CITY SHALL HAVE NO DUTY TO EXECUTE OR PERFORM UNDER THIS CONTRACT UNTIL THE CERTIFICATE AND SUFFICIENT EVIDENCE OF CONFORMITY TO CITY'S INSURANCE REQUIREMENTS SHALL HAVE BEEN DELIVERED AND APPROVED BY THE CITY, AND NO CITY OFFICER OR EMPLOYEE SHALL HAVE AUTHORITY TO WAIVE THIS REQUIREMENT.

11. **Indemnity.** NBTPIDC AND CHAMBER AGREE TO INDEMNIFY AND HOLD HARMLESS THE CITY, ITS OFFICERS, AGENTS AND EMPLOYEES, AGAINST ANY AND ALL CLAIMS, LAWSUITS, JUDGMENTS, COSTS AND EXPENSES FOR PERSONAL INJURY (INCLUDING DEATH), PROPERTY DAMAGE OR OTHER HARM FOR WHICH RECOVERY OF DAMAGES IS SOUGHT, SUFFERED BY ANY PERSON OR PERSONS THAT MAY ARISE OUT OF OR BE OCCASIONED BY NBTPIDC OR CHAMBER'S BREACH OF ANY OF THE TERMS OR PROVISIONS OF THIS CONTRACT, OR BY ANY NEGLIGENT ACT OR OMISSION OF NBTPIDC OR CHAMBER, THEIR OFFICERS, DIRECTORS, AGENTS, ASSOCIATES, EMPLOYEES, SUB-CONSULTANTS OR CONTRACTORS, IN THE PERFORMANCE OF THIS CONTRACT; EXCEPT THAT THE INDEMNITY PROVIDED FOR IN THIS PARAGRAPH SHALL NOT APPLY TO ANY LIABILITY RESULTING FROM THE SOLE NEGLIGENCE OF CITY, ITS OFFICERS, AGENTS, EMPLOYEES OR SEPARATE CONTRACTORS AND IN THE EVENT OF JOINT AND CONCURRENT NEGLIGENCE OF BOTH NBTPIDC AND/OR CHAMBER AND THE CITY, RESPONSIBILITY AND INDEMNITY, IF ANY, SHALL BE APPORTIONED COMPARATIVELY IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, WITHOUT, HOWEVER, WAIVING ANY GOVERNMENTAL IMMUNITY AVAILABLE TO THE CITY UNDER TEXAS LAW. THE PROVISIONS OF THIS PARAGRAPH ARE SOLELY FOR THE BENEFIT OF THE PARTIES HERETO AND THEIR RESPECTIVE OFFICERS, DIRECTORS, AGENTS, ASSOCIATES, EMPLOYEES, SUB-CONSULTANTS OR CONTRACTORS IN CONNECTION WITH THE PERFORMANCE OR CONDUCT OF THE SERVICES RELATED TO, CONTEMPLATED BY OR ARISING AS A RESULT OF THE SERVICE PLAN, AND ARE NOT INTENDED TO CREATE OR GRANT ANY RIGHTS, CONTRACTUAL OR OTHERWISE, TO ANY OTHER PERSON OR ENTITY.

12. **Rights, Remedies and Termination.** All parties are executing this Contract in good faith and with the intent that all provisions contained herein shall be met in accordance with their terms. In the event of a breach or violation of its terms by any party to this Contract, then the party(ies) in compliance may exercise whatever rights and remedies may be available or afforded to such party(ies) at law or in equity. In addition to any other remedies available, the City may terminate this Contract if NBTPIDC or CHAMBER violates any part of this Contract and NBTPIDC or CHAMBER fails to reasonably cure the violation

of this Contract within thirty (30) days of receipt of written notice to both entities by the City of a violation of this Contract by certified mail.

In addition to termination, the City shall recover those portions of assessment funds, including interest or other income earned on such assessment funds that were not spent on allowable costs per the Service Plan, plus any other damages suffered by the City as a result of NBTPIDC or CHAMBER's violation of the terms and conditions of this Contract. NBTPIDC and CHAMBER may each invoice City for all services they respectively completed and shall be compensated in accordance with the terms of this Contract with special assessments for all services performed by NBTPIDC and CHAMBER prior to the date specified in such notice. A previous payment or approval of payment of all or any portion of assessment funds by City shall not be deemed a waiver of the City's rights under this section. Any express waiver by the City of a violation by NBTPIDC or by CHAMBER shall not be deemed to waive any subsequent violation by NBTPIDC or CHAMBER.

13. **Notice.** Any notice, payment, statement, or demand required or permitted to be given under this Contract by any party to the other may be effected by personal delivery in writing or by mail, postage prepaid. Mailed notices shall be addressed to the parties at the addresses appearing below, but each party may change its address by written notice in accordance with this section. Mailed notices shall be deemed communicated as of three (3) days after mailing:

If to the City:

City of New Braunfels
Attn: City Manager
550 Landa St.
New Braunfels, TX 78130

If to NBTPIDC:

New Braunfels Tourism Public Improvement District Corporation (NBTPIDC)
Chair
c/o New Braunfels Chamber
390 S. Seguin Ave.
New Braunfels, Texas 78130

If to CHAMBER:

Current President & CEO of Greater New Braunfels Chamber of Commerce
390 S. Seguin Ave.
New Braunfels, Texas 78130

14. **Right of Review and Audit.** City is granted the right to audit, at City's election, all NBTPIDC and CHAMBER records and billings relating to the performance of this Contract. NBTPIDC and CHAMBER agree to retain such records for a minimum of three (3) years following completion of this Contract. Any payment, settlement, satisfaction, or release provided under this Contract shall be subject to City's rights as may be disclosed by such audit.
15. **Captions.** The captions, headings, and arrangements used in this Contract are for convenience only and shall not in any way affect, limit, amplify, or modify its terms and provisions.
16. **Compliance with Laws and Regulations.** This Contract is entered into subject to and controlled by the Charter and ordinances of the City of New Braunfels, TX and all applicable laws, rules, and regulations of the State of Texas and the Government of the United States of America. NBTPIDC and CHAMBER shall, during the course of performance of this Contract, comply with all applicable City codes and ordinances, as amended, and all applicable State and Federal laws, rules and regulations, as amended.
17. **Venue.** The obligations of the parties to this Contract shall be performable in Comal County, Texas, and in Guadalupe County, Texas. If legal action is necessary in connection with or to enforce rights under this Contract, exclusive venue shall lie in Comal County, Texas.
18. **Governing Law.** This Contract shall be governed by and construed in accordance with the laws and court decisions of the State of Texas, without regard to conflict of law or choice of law principles of Texas or of any other state.
19. **Legal Construction.** In case any one or more of the provisions contained in this Contract shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Contract, and this Contract shall be considered as if such invalid, illegal, or unenforceable provision had never been contained in this Contract.
20. **Term.** This Contract shall terminate on September 30, 2035, unless otherwise agreed to in writing by the parties. If for any reason the District is dissolved before September 30, 2035, this Contract shall terminate upon the payment to NBTPIDC and CHAMBER for all services and improvements provided to the District to the date of dissolution, and for the reasonable cost of services and the satisfaction of any prior executed debt by the District, to conclude the business of the District.

21. **Counterparts.** This Contract may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument. If this Contract is executed in counterparts, then it shall become fully executed only as of the execution of the last such counterpart called for by the terms of this Contract to be executed.
22. **Successors and Assigns.** This Contract shall be binding upon and inure to the benefit of the parties and their respective successors and, except as otherwise provided in this Contract, their assigns.
23. **Entire Agreement; No Oral Modifications.** This Contract (with all referenced exhibits, attachments, and provisions incorporated by reference) embodies the entire agreement of the City with both parties, superseding all oral or written previous and contemporary agreements between the parties relating to matters set forth in this Contract. Except as otherwise provided elsewhere in this Contract, this Contract cannot be modified without written supplemental agreement executed by both parties.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE.]

EXECUTED and effective as of the ___ day of _____ 20__, by City, signing by and through its City Manager, duly authorized to execute same by Resolution No. 2026-R__ approved by the City Council on March 23, 2026, and by NBTPIDC and CHAMBER, acting through their authorized officials.

CITY OF NEW BRAUNFELS

ATTEST:

VALERIA M. ACEVEDO
City Attorney

By: _____
City Manager

**NEW BRAUNFELS TOURISM PUBLIC IMPROVEMENT
DISTRICT CORPORATION, INC.,**
a Texas nonprofit corporation

By: _____
Chair

**NEW BRAUNFELS CHAMBER, A TEXAS
NONPROFIT CORPORATION**

By: _____
President & CEO, New Braunfels Chamber

Attachments:

- Resolution No. 2026-R__
- Exhibit A – The Initial Service Plan
- Exhibit B – Financial Reports
- Exhibit C – Tourism PID Assessment Collection Process
- Exhibit D – NBTPIDC/CHAMBER Contract

THE STATE OF TEXAS §
 §
CITY OF NEW BRAUNFELS §

This instrument was ACKNOWLEDGED before me on _____, 20__ by _____, City Manager of the City of New Braunfels, a Texas municipal corporation, on behalf of the City of New Braunfels.

Notary Public - State of Texas

My Commission Expires: _____

Printed Name of Notary Public

THE STATE OF TEXAS §
 §
CITY OF NEW BRAUNFELS §

This instrument was ACKNOWLEDGED before me on _____, 20__ by _____, the authorized agent New Braunfels Tourism Public Improvement District Corporation, Inc., a Texas nonprofit corporation, on behalf of said corporation.

Notary Public - State of Texas

My Commission Expires: _____

Printed Name of Notary Public

THE STATE OF TEXAS §
 §
CITY OF NEW BRAUNFELS §

This instrument was ACKNOWLEDGED before me on _____, 20__, by
_____, the authorized agent of CHAMBER, a Texas nonprofit
corporation, on behalf of said corporation.

Notary Public - State of Texas

My Commission Expires: _____

Printed Name of Notary Public

INSERT RESOLUTION NO. 2026-R__HERE

**Exhibit A
Service Plan**

10-year Service Plan Category Percentages & Amounts

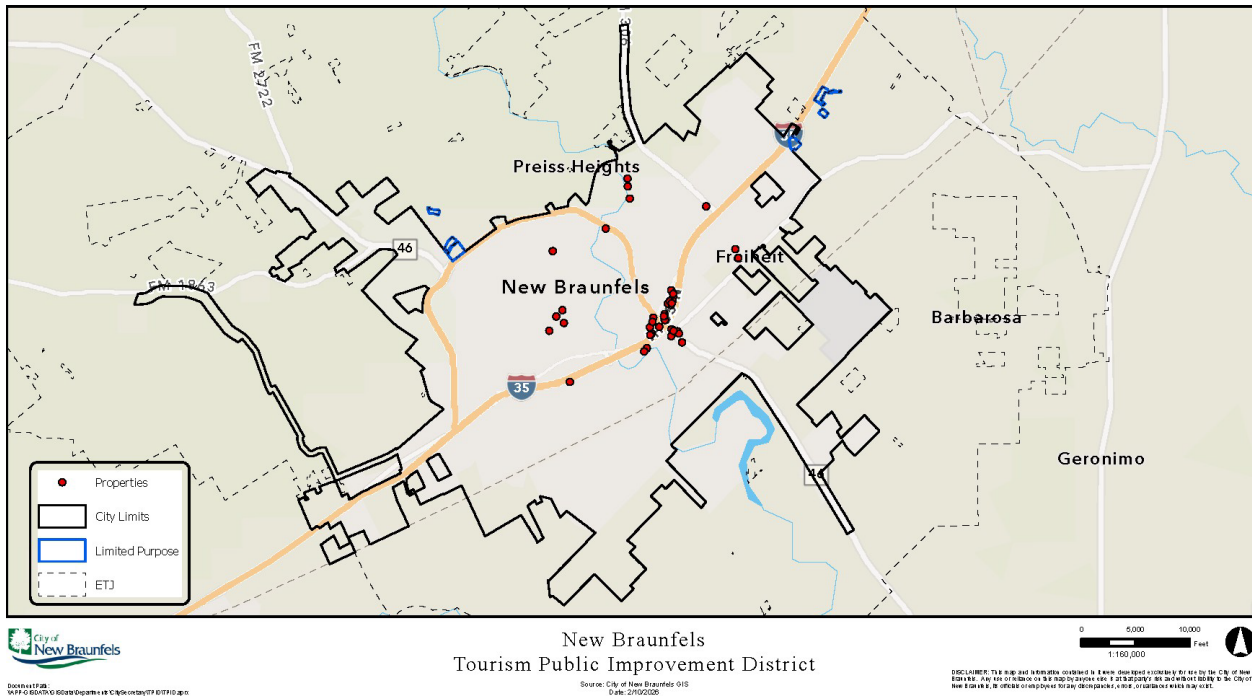
Budget Year	Est. % YOY increase	Annual Projected Budget	Marketing & Sales	Research & Administration	Contingency
		100%	85%	10%	5%
FY26 (July - Sept.)	5%	\$320,000	\$272,000	\$32,000	\$16,000
FY27	4%	\$990,000	\$841,500	\$99,000	\$49,500
FY28	4%	\$1,025,000	\$871,250	\$102,500	\$51,250
FY29	4%	\$1,070,000	\$909,500	\$107,000	\$53,500
FY30	8%	\$1,150,000	\$977,500	\$115,000	\$57,500
FY31	4%	\$1,195,000	\$1,015,750	\$119,500	\$59,750
FY32	4%	\$1,240,000	\$1,054,000	\$124,000	\$62,000
FY33	4%	\$1,290,000	\$1,096,500	\$129,000	\$64,500
FY34	4%	\$1,345,000	\$1,143,250	\$134,500	\$67,250
FY35	8%	\$1,450,000	\$1,232,500	\$145,000	\$72,500
Totals		\$11,075,000	\$9,413,750	\$1,107,500	\$553,750

Exhibit B

Category	Timeline (annually)
TPID Management Workshop	April/May/June
1 st Quarter report FY (P&L, Balance Sheet, Spending update & Marketing updates)	March 15
2 nd Quarter report FY (P&L, Balance Sheet, Spending update & Marketing updates)	June 15
3 rd Quarter report FY (P&L, Balance Sheet, Spending update & Marketing updates)	September 15
4 th Quarter report FY (P&L, Balance Sheet, Spending update & Marketing updates)	December 15
FY Annual Report	120 days after FY ends
FY Annual Financial Audit Report	120 days after FY ends

Exhibit C: TPID Assessment Collection Procedures

Tourism Public Improvement District (TPID) Assessment: The New Braunfels TPID was created by Resolution No: 2026-R__ on March 23, 2026. A two percent (2%) TPID assessment on taxable hotel room night sales for hotels with five or more rooms within the City of New Braunfels was created by Resolution No: 2026-R__ on March 23, 2026, and applies to hotels with five or more rooms within the designated TPID within the City of New Braunfels. An exception to inclusion in the District is any lodging entity whose majority of revenue is derived from tickets and/or passes to an attraction. Such an exception shall not prevent such a lodging property from voluntarily contributing to or supporting the work of the District. The map below illustrates the proposed New Braunfels TPID boundaries.



The definitions related to hotel, occupancy, collection procedures, remedies, etc., are applied as referred to in New Braunfels City Code and applicable state law.

TPID Fiscal Year Billing Cycle: The New Braunfels Tourism PID will operate for ten (10) years (July 1, 2026 to September 30, 2035). The assessment roll and assessment rate will be approved annually by the City Council.

TPID Charges/Collection: The two percent (2%) assessment only applies to hotel charges that are subject to city hotel occupancy tax at hotels with five or more rooms. The TPID assessments will be remitted to and collected by the City using the schedule and process that is in place for City hotel occupancy tax payments. Remittances, collection and any penalties shall occur in accordance with city ordinance and state law.

Exhibit D

CHAMBER & NEW BRAUNFELS TOURISM PUBLIC IMPROVEMENT DISTRICT CORPORATION (NBTPIDC)

EFFECTIVE DATE:	July 1, 2026
TERM OF AGREEMENT:	120 months
CONTRACT AMOUNT:	\$11,075,000 est.
CHAMBER CONTACT:	Jonathan Packer President & CEO, New Braunfels Chamber of Commerce Address 390 S. Seguin Ave. New Braunfels, TX 78130
CHAMBER PHONE NUMBER:	830 – 625 - 2385
CHAMBER EMAIL:	info@nbchamber.com
NBTPIDC CONTACT:	Chair Address -----, TX -----
NBTPIDC PHONE NUMBER:	--- --- ---
NBTPIDC EMAIL:	-----@-----

This Agreement (the "Agreement") is between Greater New Braunfels Chamber of Commerce ("**CHAMBER**"), with its principal place of business at 390 S. Seguin Ave., New Braunfels, TX 78130 and the **NEW BRAUNFELS TOURISM PUBLIC IMPROVEMENT DISTRICT CORPORATION** (hereinafter "**NBTPIDC**"), with its principal place of business at 390 S. Seguin Ave., New Braunfels, TX 78130.

Whereas the Texas Legislature has provided the authority to the City of New Braunfels to create a Tourism Public Improvement District that is composed solely of hotels.

Whereas the City of New Braunfels has received petitions from more than the requisite percentage of properties as provided under state law within the proposed Tourism Public Improvement District to enable the creation of the district.

Whereas the City of New Braunfels has held the two required public hearings on the public improvement district, and has approved the creation of a New Braunfels Tourism Public Improvement District, and to fund the District has approved the levy of a NBTPID assessment against all hotels within the District that have five or more rooms beginning on July 1, 2026 for a term of ten years.

Whereas a group of hoteliers have created a non-profit 501 (c) (6) entity entitled the New Braunfels Tourism Public Improvement District Corporation (NBTPIDC) with the intention that this entity will oversee the administration of the New Braunfels Tourism Public Improvement District.

Whereas it is the intent of the New Braunfels Tourism Public Improvement District Corporation Board of Directors to contract with the CHAMBER to implement the funded activities of the New Braunfels Tourism Public Improvement District.

Whereas CHAMBER is mutually interested in working with the New Braunfels Tourism Public Improvement District Corporation Board as a contracted entity to implement the District programs under the project funding provisions authorized by the New Braunfels Tourism Public Improvement District Corporation Board of Directors.

Therefore, be it resolved, in consideration of the mutual covenants and conditions set forth herein and in Exhibits and Attachments hereto, all of which are incorporated herein by reference, CHAMBER and NBTPIDC agree as follows:

Subject to the terms and conditions specified in Exhibits 1 and 2 hereto, NBTPIDC agrees to contract with CHAMBER to perform the obligations specified hereto under the Scope of Work Summary in Exhibit 2 with reimbursement for actual expenses and services by CHAMBER and other entities for implementation of the work, as provided in the New Braunfels Tourism Public Improvement District Service Plan and Budget.

**NEW BRAUNFELS
CHAMBER OF COMMERCE
("CHAMBER")**

By: _____
Name: _____
Title: President and CEO

Date: _____

**NBTPIDC
(New Braunfels Tourism
Public Improvement District Corp.)**

By: _____
Name: _____
Title: Chair

Date: _____

EXHIBIT 1

STANDARD TERMS AND CONDITIONS

1. **REPRESENTATIONS AND WARRANTIES.** CHAMBER and NBTPIDC each warrant and represent that (i) it has the power and authority to grant the rights and perform the obligations to which it commits herein; (ii) the execution of the Agreement by the person representing it will be sufficient to render the Agreement binding upon it; and (iii) neither its performance hereunder nor the exercise by the other party of rights granted by the warranting party hereunder will violate any applicable laws or regulations, or the legal rights of any third parties, or the terms of any other agreement to which the warranting party is or becomes a party. Each party is separately responsible for ensuring that its performance and grant of rights does not constitute any such violation during the Term. No party's approval of advertising or other copy submitted by another will relieve the other's responsibility under this Section.

2. **USE OF TRADE AND SERVICE MARKS.** Nothing contained herein will give either party a license or other right to use the trade or service marks of the other party except as expressly provided for in this agreement. Any such use will require the prior written consent of the party that owns the marks.

3. **CONFIDENTIALITY.** CHAMBER and NBTPIDC each agree that they will not use in any way for their own account or the account of any third party, nor will they disclose to any third party, any confidential information revealed to them by the other party which is identified in writing as confidential prior to disclosure. Each party will take such reasonable precautions to protect the confidentiality of such information as are employed to protect the party's own confidential information of a similar nature. It is expressly understood and agreed that all information disclosed by either party, or gained by either party in the course of this agreement, including this agreement, whether files, records, documents, presentations, research material, operational methods, marketing plans or strategies, electronic data, tapes, software, drawings, manuals, guidebooks, reports, plans, proposals, customer lists, business processes, know-how, specifications, or any other information not generally known outside of CHAMBER or NBTPIDC (collectively known as "Confidential Information",) shall be considered confidential and shall be retained in confidence.

In furtherance of the business relationship between the parties, it is agreed as follows: • to take or cause to be taken all reasonable precautions to prevent the disclosure or communication of Confidential Information to third parties consistent with requirements imposed under the Texas Public Information Act;

- that this confidentiality clause shall survive the term of this or any other agreement or understanding the parties may have with each other, and
- that either party will at no time take any action or make any statement that could discredit the reputation of the other party.

4. **TERM AND TERMINATION.** The Agreement will be effective on the Effective Date and will terminate immediately after the completion of the Term. In the event of expiration or early termination of the Agreement, the terms of Section 3 above and Sections 5, 6, and 9 below will forever survive the termination of the Agreement. Either party may terminate the Agreement in the event of a material default by the other party on any of its representations, warranties, or obligations under the Agreement by the following procedure: (i) the non-defaulting party will provide the defaulting party with written notice specifying the particulars of the default; (ii) if the default is not cured within thirty (30) days after such notice is given, the non-defaulting party may terminate the Agreement immediately upon providing written notice to the defaulting party. Additionally, NBTPIDC may terminate the Agreement due to a finding of failure to meet performance expectations including but not limited to ROI requirements that are set by the NBTPIDC Board and within the NBTPIDC Bylaws. Such termination must be preceded by 120 days notice of the performance issues and an opportunity provided during that time for CHAMBER to address any such issues to the NBTPIDC Board's satisfaction. If CHAMBER does not cure such performance failures by the end of these 120 days, then the NBTPIDC Board may choose to terminate the Agreement for the following budget year. Upon provision of termination notice by either party, and except to the extent the other party intends to timely cure its default, both parties will engage in good faith negotiations to arrange for a mutually satisfactory end to the Agreement. In the event of any termination prior to the natural expiration of the Term, CHAMBER shall be entitled to payment for deliverables in progress to the extent work has been performed satisfactorily.

5. **INDEMNIFICATION.** NBTPIDC will indemnify and hold harmless CHAMBER and its respective institutions, officers, directors, employees, franchisees, attorneys, agents, successors and assigns from any claims, damages, liabilities, losses, government procedures, and costs, including reasonable attorneys' fees and costs of suit, arising out of (i) NBTPIDC's failure to comply with applicable laws and regulations, unauthorized use of CHAMBER's trademarks or negligence or willful misconduct in connection with its performance of the Agreement; or (ii) NBTPIDC's intentional misrepresentation or breach of any warranty, obligation or covenant of the Agreement.

CHAMBER will indemnify and hold harmless NBTPIDC and its respective institutions, officers, directors, employees, franchisees, attorneys, agents, successors and assigns from any claims, damages, liabilities, losses, government procedures and costs, including reasonable attorneys' fees and costs of suit, arising out of (i) CHAMBER's failure to comply with applicable laws and regulations, unauthorized use of NBTPIDC's trademarks or negligence or willful

misconduct in connection with its performance of the Agreement; or (ii) CHAMBER's intentional misrepresentation or breach of any warranty, obligation or covenant of the Agreement.

Except in the case of third party claims, neither party will be obligated to the other party for indirect, special, consequential, or incidental damages.

6. **DISPUTE RESOLUTION.**

- a. All claims, disputes or controversies between the parties under this Agreement ("Claim") that cannot be resolved through ordinary business negotiations will be resolved, at the election of either party, through mediation until such time as the parties mutually agree to terminate such mediation or the mediator declares an impasse.
- b. All offers, promises, conduct and statements, whether written or oral, made in the course of negotiation, or proceedings by either party to confirm awards hereunder are confidential, privileged, and inadmissible for any purpose, including, without limitation, impeachment or estoppel, in any other litigation or proceeding involving any of the parties, provided that evidence that is otherwise admissible or discoverable will not be rendered inadmissible or non-discoverable as a result of its use in the negotiation or arbitration.

7. **RELATIONSHIP OF THE PARTIES.** CHAMBER and NBTPIDC are independent contractors, and the Agreement does not create a partnership, joint venture, employee/employer or other agency relationship between them.

8. **ASSIGNMENT.** The Agreement will be binding on and inure to the benefit of each of the parties, their successors and assigns. It may not be assigned or transferred, in whole or in part, without the written consent of the other party. Any such assignment or transfer without consent will be void.

9. **NOTICES.** All notices and other communications required to be given under the Agreement shall be in writing and shall be deemed to have been given (i) when personally delivered; or (ii) three (3) business days after mailing, postage prepaid, by certified mail; or (iii) when delivered (and receipted for) by an overnight delivery service, addressed in each case to the parties at the addresses set forth on the Agreement unless a different address shall have been designated in writing.

10. **GOVERNING LAW.** The Agreement will be governed by the laws of the State of Texas, without giving effect to its conflicts of law provisions. Any failure by either of the parties to exercise any right granted herein upon the occurrence of any contingency set forth in this Agreement will not in any event constitute a waiver of any such right upon the exercise of any such

contingency. In case any term in this Agreement shall be held invalid, illegal or unenforceable in whole or in part, neither the validity of the remaining part of such term nor the validity of any other term shall be in any way affected thereby.

11. **OWNERSHIP.** All records, reports, documents and other material delivered or transmitted to NBTPIDC by CHAMBER shall remain the joint property of CHAMBER and NBTPIDC, and shall, upon request, a copy of such documents and other materials shall be returned by NBTPIDC to CHAMBER, at NBTPIDC's expense, at termination or expiration of this contract. All records, reports, documents, or other material related to this contract and/or obtained or prepared by NBTPIDC in connection with the performance of the services contracted for herein shall become the joint property of NBTPIDC and CHAMBER, and shall, upon request, a copy of such documents and other materials shall be returned by CHAMBER to NBTPIDC, at CHAMBER's expense, at termination or expiration of this contract.
12. **INSPECTION AND AUDIT.** The NBTPIDC, or its authorized agents or representatives, shall have the option of reviewing, examining, and/or auditing all accounts, records, documents, books, and other supporting materials of CHAMBER relating to this contract. CHAMBER shall provide reasonable access to such material at no charge.
13. **FUNDING.** The continuation of this contract is contingent upon the approval of funds to fulfill the requirements of the contract by the City of New Braunfels. If the City fails to approve sufficient monies to provide for the continuation of the contract, or if such approval is denied, the contract shall terminate pursuant to Section 4 above.
14. **AMENDMENTS IN WRITING.** Any alteration, variation, modification, or waiver of provisions of this contract shall be valid only when it has been reduced to writing and executed by all parties. The effective date of this contract may be extended only if an amendment to that effect is duly executed by the contracting parties and approved by the necessary authorities prior to said termination date.
15. **SEVERABILITY.** If any provision of the Contract is declared or found to be illegal, unenforceable or void, in whole or in part, then both parties shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable or void, it being the intent and agreement of the parties that the Contract shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substitution therefore another provision that is legal and enforceable and achieves the same objectives. Any such invalidity, illegality, or unenforceability shall not affect any other provision of the Contract. The parties agree to negotiate in good faith for a proper amendment to the Contract in the event any provision thereof is declared illegal, invalid or unenforceable.

16. **ENTIRE AGREEMENT**. This Contract contained in Exhibit D between CHAMBER and NBTPIDC and Exhibits 1 and 2 and the attached contract between CHAMBER, NBTPIDC, and the City and related exhibits thereto constitute the entire agreement and understanding between CHAMBER and NBTPIDC, and there are no other agreements, representations, warranties or understandings between CHAMBER and NBTPIDC with respect to the subject matter hereof. To the extent that any other agreement, written or verbal, appears to exist between the parties with respect to the subject matter hereof, the Contract supersedes any such agreement.

(The remainder of this page intentionally left blank)

EXHIBIT 2

SCOPE OF WORK for CHAMBER on behalf of the New Braunfels Tourism Public Improvement District(NBTPID) and the New Braunfels Tourism Public Improvement District Corporation (NBTPIDC)

Summary

CHAMBER proposes to contract with the New Braunfels Tourism Public Improvement District Corporation (NBTPIDC). The contract will enable CHAMBER to implement additional marketing and sales programs to secure increased transient, business, convention, group, event, and other hotel activity to the City of New Braunfels. The contract will be funded by New Braunfels Tourism Public Improvement District (NBTPID) proceeds received from a two percent (2%) special assessment levied against all hotels with five or more rooms within the City of New Braunfels.

To implement this program, the NBTPIDC Board will adopt an annual budget along with specific ROI requirements for sales incentives. The NBTPIDC Board shall adopt sales and marketing policies and protocols under which CHAMBER can, pursuant to advance approval by the NBTPIDC Board, implement projects if the project meets the designated criteria adopted by the NBTPIDC Board. The NBTPIDC Board may choose to provide adjustments to the annual plan throughout the budget year that are consistent with the annual adopted NBTPID budget and service plan, including the shifting of resources as provided in the Service Plan.

Mission of the NBTPID: The New Braunfels Tourism Public Improvement District is a public improvement district dedicated to increasing demand for transient, business, convention, group, and other hotel room night consumption in the City of New Braunfels.

Purpose of the Public Improvement District and the Non-Profit Corporation: The creation of the New Braunfels Tourism Public Improvement District and of the New Braunfels Tourism Public Improvement District Corporation is to ensure the effective and judicious allocation of district assessment revenues to accomplish the above noted mission of the District.

Start-Up Costs for Creation of the PID

It is understood by both the NBTPIDC and by CHAMBER that there are certain start-up costs for creation of the district. These costs may include the consulting, legal, and administrative services that enabled creation of the district. State law provides for the reimbursement of these costs

from the proceeds of the District once it is established and CHAMBER will coordinate the presentation for payment/reimbursement of these costs to the NBTPIDC Board for their approval. These costs must be consistent with the approved budget categories within the service plan.

General NBTPID Operations

Obligations and Expenditures: CHAMBER is authorized to enter into contracts and otherwise obligate and spend NBTPID funds only in accordance with the NBTPIDC Board approved budget and plan. CHAMBER shall not incur obligations or indebtedness for the current or any future fiscal year in excess of its fund balance and/or anticipated revenues that will be available cumulatively by the fiscal year in which the obligation must be paid.

Requisitions to utilize NBTPID funds will only be sought by CHAMBER staff for initiatives that meet the NBTPIDC criteria as outlined in the NBTPID budget and operating plan, unless a specific exception is approved by a majority vote of the NBTPIDC Board of Directors. The CHAMBER Convention and Visitors Bureau President in consultation with the CHAMBER Sr. Vice President of Finance & Administration must review all such expenditures to ensure compliance with this agreement and the approved NBTPID budget and plan. Staff utilizing NBTPID funds shall be bound by current TPID travel and expense policies that are adopted by the NBTPIDC Board.

Maintenance of NBTPID Funds: All assessment funds received from the City of New Braunfels for the NBTPID shall be deposited in a bank account separate from all other CHAMBER funds. Utilized banking institutions shall be FDIC insured and maintain a minimum of either a Moody's rating of "Baa1" or higher, or a Standard & Poor's rating of "BBB+" or higher. An annual investment strategy and goals shall be presented to the NBTPIDC Board as part of the annual plan and budget approval process for funds that do not need to be reserved for maintenance and operation of the district. All funds of the NBTPID shall be handled in full compliance of the Texas Public Funds Investment Act.

Insurance and Audit Services: CHAMBER shall secure insurance and financial and performance audit services for matters pertaining to the NBTPID. Recommendations will be brought to the NBTPIDC Board for approval. The completed performance and annual audit reports will be provided to the NBTPIDC Board and to the City Manager for the City of New Braunfels.

Staffing Pattern and Duties Summary

CHAMBER will accomplish its contractual duties for the NBTPIDC and the NBTPID through a mix of contracts with outside firms, very limited hiring of new staff, and utilization of existing CHAMBER staff. The proposed costs for each of these supplemental resources will be presented to the NBTPIDC Board during the annual budget approval process and shall be solely based on

the percentage of time spent on NBTPID functions that are within the approved NBTPID service plan. These costs must be consistent with the approved budget categories within the service plan.

Approvals from NBTPIDC Board

Approval of Budget, Operating Plan, and Amendments/Exceptions: The annual NBTPID budget and operating plan will be presented to the NBTPIDC Board for approval at a meeting at least 30 days prior to the start of each fiscal year, other than the initial fiscal year of the NBTPID. Proposed amendments or exceptions to the annual plan or to the ROI protocols may be presented to the NBTPIDC Board for approval at their quarterly meetings. If there is a very time sensitive matter, recommendations for amendments or exceptions may be presented to the NBTPIDC Board at other times through email or specially called meetings, in accordance with the NBTPIDC bylaws or board approved operational policies. For the purposes of this agreement, amendments may also include the addition or deletion of previously approved marketing or sales initiatives.

Overall Goals for NBTPID Marketing and Promotion Initiatives: The goals of the NBTPID marketing and promotion initiatives will be outlined definitively in each year's annual plan that will be approved by the NBTPIDC Board. The target audience will include convention and meeting planners, business travelers, and leisure and other hotel activity generating travelers.

Requests for Exceptions to ROI Requirements: While CHAMBER does not anticipate the need to ask for exceptions to the ROI Requirement, it is possible that such a situation may present itself. For example, there may be a business prospect that requires more sales initiatives than the ROI in lodging nights would indicate (e.g.; conventions held by ASAE, MPI, etc.) but offers the city and its hotel sector access to entities that can bring much other needed conventions and groups to our area. In such scenarios and other meritorious situations, CHAMBER staff may bring such items up for consideration to the NBTPIDC Board for their review and consideration. A brief summary of the anticipated ROI and an explanation of the grounds for considering an exception will be provided to the NBTPIDC Board. Whether to grant such an exception will be at the discretion of the NBTPIDC Board. Similarly, the NBTPIDC Board, one of its members, or a funding hotel within the district may propose such an item for consideration by the NBTPIDC Board for its review and consideration.

Shifting Between Expenditure Categories: CHAMBER has the authority to propose to the NBTPIDC Board a shifting of resources between categories for approved activities and efforts. Shifts between categories shall not exceed 10%. Similarly, the NBTPIDC Board on its own motion may propose, approve and require such a shifting of resources.

Conflict of Interest Administration: It is possible that certain hotel members of the NBTPIDC, and in certain cases a majority of the board, will have an interest in a city-wide or regional convention or meeting that may be marketed through the NBTPID. In such cases, CHAMBER shall work with the involved board member(s) to file the appropriate conflict of interest forms as outlined in the bylaws for the NBTPIDC and shall secure the needed votes to authorize the project as outlined in the bylaws for the NBTPIDC.

Reports to the NBTPIDC Board

Reports on Status of Projects/Expenditures: Quarterly and annual reports shall be provided to the NBTPIDC Board on the progress of CHAMBER staff in implementation of the NBTPID programs. These reports will indicate the status of progress on the approved plan, financial statements, and bank balances showing the timing of actual NBTPID revenues and expenses. The quarterly financial statement, balance sheet, and statement of activities shall be maintained and presented in compliance with General Accepted Accounting Principles (GAAP) for non-profit corporations. These reports shall be similar to those currently produced by CHAMBER, incorporating the items contained in the NBTPIDC board approved Service Plan and budget.

CHAMBER staff will also provide courtesy copies of the quarterly and annual reports to the City Manager for the City of New Braunfels for further distribution.

Financial Statements: Financial statements will show the timing in which actual assessments will be collected and when they will be spent. In accordance with standard practices, CHAMBER may book meetings that will be held a number of years later. In this case, a meeting may be booked, and an obligation made, in one year; but the sales incentive/initiative expense will not actualize until the meeting occurs. With this in mind, revenues and expenses may be shown over the ten year term of the district, with expenses being allowed up to three years past the initial term of the PID. Balances are to be carried forward, and all NBTPID assessments along with any earned interest will be proposed for expenditure over the booking period for eligible NBTPID marketing, events, and programs. In accordance with city and state law, any funds not obligated during the term of the district must be returned to the city for distribution back to the assessed properties if the District term is not renewed prior to its dissolution.

Access to NBTPID Materials: Reasonable access to all NBTPID related materials and information shall also be available to the NBTPIDC Board at all times. Courtesy copies of quarterly and annual reports will be emailed to the New Braunfels City Manager & City Council for further appropriate distribution. Requests for access to NBTPID documents by other parties will be handled as required under the Texas Public Information Act.

Orientation for the NBTPIDC Board: An annual orientation shall be done for the NBTPIDC Board on the administration of the NBTPID, board roles and responsibilities, and the responsibilities of CHAMBER under this contract.

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