

**CONTRACT BETWEEN THE NEW BRAUNFELS ECONOMIC DEVELOPMENT
CORPORATION AND THE CITY OF NEW BRAUNFELS, TEXAS**

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, a Non-Profit Corporation of the State of Texas, hereinafter called "EDC", acting by and through its duly authorized officers, and the City of New Braunfels, Texas, a Texas municipal corporation, hereinafter called "CITY," acting by and through its officers:

W I T N E S S E T H:

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, on October 22, 2015 the EDC voted to provide an amount not to exceed \$2,400,000 to help support a taxiway extension project to allow for additional hangar construction and increased based aircraft space at the New Braunfels National Airport (formerly named New Braunfels Regional Airport); and

WHEREAS, a total of \$1,200,000 of the approved funds was provided to the Airport as a grant and the remaining \$1,200,000 was authorized as a 10-year amortizing loan at 3% by the NBEDC Board on October 17, 2019; and

WHEREAS, the loan agreement was not formally documented in writing between the NPEDC and the Airport; and

WHEREAS, the construction of the taxiway extension was completed in late 2019 and in

FY21-22, the Airport started making a \$129,000 annual payment in accordance with the authorization on October 17, 2019; and

WHEREAS, the Airport has made five annual payments of \$129,000 to repay the EDC loan with \$644,770 remaining in the outstanding balance; and

WHEREAS, since completion of the taxiway extension project, private capital has delivered three new hangars with at least two additional hangars in the predevelopment process; and

WHEREAS, the New Braunfels National Airport is an enterprise fund; it does not receive general property or sales tax revenue support and must rely on its revenue generated to sustain itself; and

WHEREAS, the scale of ongoing capital infrastructure and facility needs - required to meet the growing demands and maintain existing assets - continues to outpace available funding; and

WHEREAS, forgiveness of the remaining loan balance would free up the five remaining annual payments of \$129,000 to be reinvested into operations and priority infrastructure projects that support the airport's continued growth and economic impact.

II.

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 May 21, 2026, the City Council of New Braunfels, Texas on July 13, 2026 with Resolution 2026-RXX, approved the EDC's determination that an amount up to \$644,770 – the remaining loan balance of the New Braunfels National Airport's loan for the taxiway extension project be forgiven.

III.

In the performance of this contract, CITY 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.

IV.

It is expressed and 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.

V.

Employment of Undocumented Workers. During the term of this Agreement, CITY agrees not to knowingly employ an undocumented worker and if convicted of a violation of 8 U.S.C. Sec. 1324a(f), the CITY shall repay the amount of the Grant and any other funds received by the CITY from the EDC as of the date of such violation within sixty (60) days after the date the CITY 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 its prime or base commercial lending rate, from the date of such notice until paid.

VI.

All communications between EDC and CITY 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 with a copy being sent to the President of the EDC at his/her residential or business address. Any communication to the CITY shall be addressed to the City Manager, 550 Landa Street, New Braunfels, Texas 78130.

VII.

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.

VIII.

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 CITY.

IN WITNESS WHEREOF, the parties hereto execute this agreement in duplicate originals
on this ____ day of _____, 2026.

CITY OF NEW BRAUNFELS
ECONOMIC DEVELOPMENT CORPORATION

By: _____
Shane Hines, *President*

Larry Hammonds, *Corporate Secretary*

CITY OF NEW BRAUNFELS, TEXAS

By: _____
Robert Camareno, *City Manager*

ATTEST:

Gayle Wilkinson, *City Secretary*

APPROVED AS TO FORM:

City Attorney's Office