

TOURISM PROMOTIONAL SERVICES AGREEMENT

This Agreement ("the Agreement"), effective January 1, 2016, and entered into between the County of Uvalde, Texas (the "County") and Texas Hill Country River Region (the "THCRR"), pursuant to Chapter 352 of the Texas Tax Code. In furtherance, the purposes of the Tax Code, and in consideration of the mutual covenants herein contained, the County and the THCRR hereby agree as follows:

1. ALLOCATIONS OF FUNDS

- a. The County has enacted a hotel occupancy tax (HOT) on rooms furnished by hotels and motels located within the County. The County agrees to allocate current and future funds in the amount of Seventy-Four percent (74%) of the net revenue from this tax to THCRR, operating under Texas Tax Code 352.1015. The THCRR agrees the total of all payments made by the County to the THCRR under this Agreement will not exceed this amount of seventy-four percent (74%) of the net revenue from the tax.
- b. The County agrees to pay over the HOT funds to THCRR within 60 days after the deadline from receipt of quarterly hotel occupancy tax payments to the Uvalde County Tax Assessor-Collector which were collected by lodgings through the duration of this service agreement. Any late payments by lodging that had been collected by lodgings prior to and during the term of this service agreement shall be paid to the THCRR within 60 days after collection by the County. The HOT funds allocated by the County may be applied toward administrative expenses incurred directly in the THCRR's tourism promotion activities. The THCRR shall track all administrative expenses related to this Agreement, including any allocation of personnel resources, and report such expenses to the County as part of the reports required in Section (2)(E), below.
- c. The THCRR shall maintain the HOT funds provided by the County under this agreement in a separate account, and the THCRR shall not commingle the funds in that account with any other money, or maintain them in any other account.
- d. The THCRR shall establish, operate and maintain an accounting system that sufficiently and properly reflect all expenditures made pursuant to this agreement, including records and documents which will allow for a tracking of funds and review the financial status of the program. The Uvalde County Judge, or his designee, shall have full access and the right to examine and copy, during normal business hours, all of the records of the THCRR audit prepared by independent auditors and presented to the Commissioners Court by March 1 of each calendar year.
- e. The THCRR shall provide the Uvalde County Commissioners Court with written quarterly status reports describing what work, activities or events have been performed pursuant to this contract and the THCRR Tourism Promotion Plan,

including a current quarterly financial statement of revenues and expenditures that has been prepared by a certified public accountant.

- f. If any of the agreements herein made by THCRR are violated, the COUNTY is authorized to refuse to make any further payments until the condition on which the complaint is based is cored to the satisfaction of the Uvalde County Commissioner Court.

2. USE OF "HOT" FUNDS

- a. The THCRR shall expend the HOT funds for general promotional and tourist advertising for Uvalde County and conducting a solicitation and operating program to attract visitors and conventions to the County. THCRR agrees to perform promotional services for the County including, but not limited to, advertising, publicizing and distributing information for the purpose of attracting visitors and encouraging tourist expansion to and within the County. All uses and expenditures of HOT funds shall be conducted in accordance with the uses permitted by Chapters 351 and 352 of the Texas Tax Code, and all other applicable laws and regulations.
- b. The THCRR shall make these expenditures in conformance with the budget. The THCRR board of directors may approve amendments to the budget to transfer funds among budget line items. The THCRR acknowledges the County's approval of this budget creates a fiduciary duty in the THCRR with respect to the HOT funds provided by the County to the THCRR under this agreement.
- c. No later than January 15 of each calendar year the THCRR shall provide the County a proposed written annual budget for the use of all HOT funds. The Uvalde County Commissioners Court shall review the budget and approval shall be recorded in the minutes of the court. The THCRR shall quarterly provide a list of expenditures made by the THCRR with HOT funds.

3. TERM AND TERMINATION

- a. The term of this Agreement shall be effective January 1, 2016 through December 31, 2017.
- b. It is expressly agreed that either party may cancel this Agreement by tendering written notice to the other. This Agreement will terminate 30 days from the date of the written notice, or on any date specified in the notice after the 30 day period. If this Agreement is so terminated, the County will compensate the THCRR for services to the date of termination on a pro rata basis.
- c. Any HOT funds allocated to the THCRR by the County which are unencumbered or unexpended at the end of the County's fiscal year or other date of the termination of this Agreement shall be remitted to the County within 30 days from the date thereof.
- d. THCRR shall submit to the Uvalde County Commissioners Court by March 1 of each calendar year a written report detailing the services provided and the

activities and accomplishments of THCRR, including, but not limited to, a complete detailed financial statement showing the full accounting of the expended funds during that calendar year.

4. CONSTRUCTION

This Agreement shall be construed in accordance with the laws of the State of Texas, and in particular with Chapters 351 and 352 of the Texas Tax Code.

5. HCR ASSETS

At the termination of this contract, all THCRR assets, purchased with HOT funds, shall be the property of the County.

IN WITNESS WHEREOF, Uvalde County and the Texas Hill Country River Region have caused this Agreement to be executed and delivered by their duly authorized representatives as of the dates specified below:

UVALDE COUNTY
By: William R. Mitchell
WILLIAM R. MITCHELL
UVALDE COUNTY JUDGE
#3 Courthouse Square
Uvalde, Texas 78801
Date: 12/16/2015

TEXAS HILL COUNTRY RIVER REGION
By: Rob Fayle
ROB FAYLE, PRESIDENT
Post Office Box 52
Concan, Texas 78801
Date: 12/31/2015