

**TOURISM PROMOTIONAL SERVICES AGREEMENT**

This Agreement (the "Agreement"), effective January 1, 2015, and is entered into between Uvalde County, Texas (the "County") and Hill Country Rivers (the "HCR"), pursuant to Chapter 352 of the Texas Tax Code. In furtherance of the purposes of the Texas Tax Code, and in consideration of the mutual covenants herein contained, the County and the HCR hereby agree as follows:

**I. ALLOCATION OF FUNDS**

- A. The County has enacted a hotel occupancy tax (HOT) on rooms furnished by hotels and motels within the County. The County agrees to allocate funds in the amount of Seventy-Four percent (74%) of the next revenue from this tax (the "HOT Funds") to the HCR, operating under Texas Tax Code 352.1015. The HCR agrees that the total of all payments made by the County to the HCR under this Agreement will not exceed the amount of Seventy-Four (74%) of the next revenue from the tax.
- B. The County agrees to pay over the HOT funds to HCR within 60 days after the deadline for 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 lodgings that had been collected by lodgings prior to and during the term of this agreement shall be paid to the HCR 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 HCR's tourism promotional activities. The HC 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 in Section (2)(C), below.
- C. The HCR shall maintain the HOT Funds provided by the County under this Agreement in a separate account, and the HCR shall not commingle the funds in that account with any other money, or maintain them in any other account.
- D. The HCR 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 of the financial status of the program. The Uvalde County Judge, or his designee, shall have full access and the right to examine any copy, during normal business hours, all of the records of the HCR with respect to matters covered in this agreement.
- E. The HCR 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 HCR Tourism Promotion Plan, including a current quarterly financial statement of revenues and expenditures.
- F. If any of the agreements herein made by HCR are violated, the COUNTY is authorized to refuse to make any further payments until the condition on which the complaint is based is corrected to the satisfaction of the Uvalde County Commissioners Court.

## **2. USE OF HOT FUNDS**

- A. The HCR 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. HCR 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 HCR shall make these expenditures in conformance with the budget. The HCR Board may approve amendments to the budget to transfer funds among line items. The HCR acknowledges the County's approval of this budget creates a fiduciary duty in the HCR with respect to the HOT Funds provided by the County to the HCR under this Agreement.
- C. No later than 15 days from the date of execution of this agreement, the HCR shall provide to the County a proposed written annual Budget for the use of all HOT Funds. The Uvalde County Commissioners Court shall, in writing, approve in advance the annual budget for the HCR. Furthermore, the HCR shall at least quarterly provide a list of expenditures made by the HCR with HOT Funds.

## **3. TERM AND TERMINATION**

- A. The term of this Agreement shall be effective from January 1, 2015 through December 31, 2015.
- 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 HCR for services to the date of termination on a pro rata basis.
- C. Any HOT Funds allocated to the HCR 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. HCR shall submit to the Uvalde County Commissioners Court within 60 days following the end of the service agreement period, a written final report detailing the services provided and the activities and accomplishments of HCR, including, but not limited to, a complete detailed financial statement showing the full accounting of the expended funds

**4. CONSTRUCTION**

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

**5. HCR ASSETS**

The HCR shall keep its equipment, supplies, vehicles and other assets separate from those purchased with HOT Funds and to be used in performance of this Agreement.

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

UVALDE COUNTY, TEXAS

by: William R. Mitchell

WILLIAM R. MITCHELL

UVALDE COUNTY JUDGE

HILL COUNTRY RIVERS

by: Melissa Bates

~~CHIEF EXECUTIVE OFFICER~~ MELISSA BATES  
PRESIDENT

Date: 1-26-15