

STATE OF TEXAS §
 §
COUNTY OF GUADALUPE §

HOTEL TAX FUNDING AGREEMENT BETWEEN THE CITY OF SCHERTZ,
TEXAS AND Cal-For Properties, LLC FOR EXPENDITURE OF HOTEL OCCUPANCY
TAX FUNDS

This Hotel Tax Funding Agreement (AGREEMENT) is made and entered into by and between the City of Schertz, Texas (CITY) and Cal-For Properties, LLC, (ENTITY).

WHEREAS, the ENTITY has developed a proposal to redevelop the property at 802 Main Street (the "Project"); and

WHEREAS, the City collects Hotel Occupancy Taxes; and

WHEREAS, Hotel Occupancy Taxes may be used only to promote tourism and the convention and hotel industry as limited by the specific purposes as provided for in Texas Tax Code Section 351.101; and

WHEREAS, the City of Schertz finds that promoting the enhancement and perpetuation of structures of historical importance and significance are necessary to promote the economic, cultural, educational and general welfare of the public; and

WHEREAS, the area around Main Street in Schertz once served as commercial and social hub of the community; and

WHEREAS, the City seeks to improve the image of the area around Main Street through historic restoration and rehabilitation of structures in the Main Street area to serve as a commercial, social, cultural and tourism hub of the City; and

WHEREAS, in order to facilitate the preservation of historic structures to promote the economic vitality of the Main Street area as a tourist destination, the City of Schertz is offering incentives that will serve to improve existing properties and businesses within this area.; and

WHEREAS, the City Council hereby finds and determines that the Project to be funded herein promotes tourism and the convention and hotel industry through historical restoration and preservation; and

WHEREAS, the City Council of the City of Schertz desires to provide Hotel Occupancy Tax revenues to Cal-For Properties, LLL. (ENTITY) for up to \$17,531.19 or half of the estimated \$35,062.38 Project cost.

NOW, THEREFORE, it is mutually agreed by and between the CITY and ENTITY as follows:

GENERAL PROVISIONS

Section 1. Purpose. The purpose of this Agreement is to provide funding to the ENTITY for the project identified in the attached Exhibit "A" (the "Project"), the intent of which is to protect, enhance, and preserve the historic resources and landmarks which represent distinctive elements of the City of Schertz' historic, architectural, economic, cultural, and social heritage by providing property owners and incentive for protecting their property; stabilize and improve property values; foster civic pride in the beauty and accomplishments of the past, and to promote the use of the historic structures for the culture, education, and general welfare of residents, and strengthen the economy of the city by protecting and enhancing the attractiveness of the Main Street area to residents and visitors, as well as provide support and stimulus to businesses.

Section 2. Obligation of the ENTITY. The ENTITY shall use all of the awarded funds provided by the CITY in accordance with Chapter 351 of the Texas Tax Code, the ENTITY'S funding request, and the attached Exhibit "A".

Section 3. Reporting Requirements of the ENTITY. The ENTITY shall deliver a detailed accounting of the expenditures for the Project within thirty (30) days after completion of the Project (the "Post Event Report"). The Post Event Report shall include copies of receipts and other documents establishing the expenditures for the project. The CITY shall not make reimbursements for expenditures where no receipt or invoice is provided. Partial or incomplete reports will not be accepted.

Section 4. Authorization of Payment. Subject to the ENTITY'S satisfactory performance and compliance with the terms of this AGREEMENT, the CITY agrees to pay the ENTITY up to fifty percent (50%) of the Project from hotel occupancy tax funds. Payment will be made within forty-five (45) days of acceptance of the complete Post Event Report. Partial or incomplete reports will not be accepted. Only expenditures that meet Chapter 351 of the Tax Code and this AGREEMENT shall be reimbursed.

Section 5. Appeal Process. Any ENTITY wishing to appeal the decision of the CITY must present their appeal in writing within ten (10) business days of funding denial.

Section 6. Rights. The City of Schertz has the right, at any time, to inspect the books or records of the ENTITY that may relate to performance of this AGREEMENT. The CITY, at its sole expenses, has the right to conduct an audit of the ENTITY or Project.

Section 7. Term. The AGREEMENT shall become effective as of the date entered below. The AGREEMENT shall terminate one year from its effective date or once the terms have been met, whichever occurs first.

Section 8. Indemnification. The ENTITY agrees to defend, indemnify and hold harmless the CITY, its officers, agents and employees, against any and all claims, lawsuits, judgments, cause of action, 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 the ENTITY's breach of any of the terms or provisions of this AGREEMENT, or by any negligent act or omission of the ENTITY, its officers, agents, servants, employees, contractors, or subcontractors, in the performance of this AGREEMENT; except that the indemnity provided for in this paragraph shall not apply

to any liability resulting from the sole negligence of the CITY, its officers, agents, employees or separate contractors, and in the event of joint and concurrent negligence of both the ENTITY and the CITY under Texas law and without waiving any defenses of the parties under Texas law. The provisions of this paragraph are solely for the benefit of the parties hereto and not intended to create or grant any rights, contractual or otherwise, to any other person or entity. Both parties expressly agree that this AGREEMENT does not assign any responsibility for civil liability to the City of Schertz that may arise by virtue of this AGREEMENT.

Section 9. Termination. A party may terminate this AGREEMENT in whole or in part if the other party fails to comply with a term of the AGREEMENT, including the inability of the ENTITY to conform to any change required by federal, state or local laws or regulations; or for the convenience of either party. The terminating party shall provide written notification to the other party of the decision to terminate this AGREEMENT within thirty (30) days before the effective date of termination. A party may terminate the AGREEMENT for breach of any provision of this AGREEMENT, upon written notice of the breach and the breaching party shall have ten (10) days after receipt of the written notice in which to cure the breach to the satisfaction of the non-breaching party.

Section 10. Notice. All notices required or permitted under this AGREEMENT shall be in writing and shall be delivered in person or mailed as follows:

to the CITY at:

City of Schertz
Attention: City Manager
1400 Schertz Parkway
Schertz, TX 78154
(210) 619-1000

To Cal-For Properites, LLC. at:
Attention: Kevin Calcote and Robert Ford Owner
264 Brush Trail Bend
Cibolo, Texas 78108

MISCELLANEOUS

Section 11. Entire Agreement. This AGREEMENT constitutes the entire agreement of the parties regarding the subject matter contained herein. The parties may not modify or amend this AGREEMENT, except by written agreement approved by the governing bodies of each party and duly executed by both parties.

Section 12. Approval. This AGREEMENT has been duly and properly approved by each party's governing body and constitutes a binding obligation on each party.

Section 13. Assignment. Except as otherwise provided in this AGREEMENT, a party may not

assign this AGREEMENT or subcontract the performance of services without first obtaining the written consent of the other party.

Section 14. Non-Waiver. A party's failure or delay to exercise right or remedy does not constitute a waiver of the right or remedy. An exercise of a right or remedy under this AGREEMENT does not preclude the exercise of another right or remedy. Rights and remedies under this AGREEMENT are cumulative and are not exclusive of other rights or remedies provided by law.

Section 15. Paragraph Headings. The various paragraph headings are inserted for convenience of reference only, and shall not affect the meaning or interpretation of this AGREEMENT or any section thereof.

Section 16. Attorney fees. In any lawsuit concerning this AGREEMENT, the prevailing party shall be entitled to recover reasonable attorney's fees from the nonprevailing party, plus all out-of-pocket expense such as deposition costs, telephone, calls, travel expenses, expert witness fees, court costs, and their reasonable expenses, unless otherwise prohibited by law.

Section 17. Severability. The parties agree that in the event any provision of this AGREEMENT is declared invalid by a court of competent jurisdiction that part of the AGREEMENT is severable and the decree shall not affect the remainder of the AGREEMENT. The remainder of the AGREEMENT shall be in full force and effect.

Section 18. Venue. The parties agree that all disputes that arise of this AGREEMENT are governed by the laws of the State of Texas and venue for all purposes herewith shall be in Milam County, Texas.

Section 19. Certificate of Insurance. The ENTITY agrees to provide a certificate of insurance for liability and worker's compensation insurance or letter of self-insurance on its letterhead indicating its self-insured status before any event awarded funding under this AGREEMENT. The cost of the insurance herein mentioned to be secured and maintained by the ENTITY shall be borne solely by the ENTITY.

IN WITNESS HEREOF, the CITY and ENTITY make and execute this AGREEMENT to be effective this _____ day of _____, 2019.

CITY OF SCHERTZ, TEXAS

ENTITY

City Manager

Kevin Calcote, Owner

Robert Ford, Owner

ATTEST:

City Secretary

(Title)

EXHIBIT A

Renovation List for 802 Main Street- Total Cost \$35,062.38

Exterior

- 1- Siding
- 2- Painting
- 3- Exterior Lights
- 4- Exterior Doors & Hardware (Front, Back, Door to Garage, and Overhead Door)
- 5- Window Solar Screens
- 6- Rear Deck (Smaller)
- 7- Landscaping

Living Room

- 1- Drywall & Texture
- 2- Trim
- 3- Outlet & Switch Covers
- 4- Painting
- 5- Light & Fan Combo
- 6- Sliding Barn Doors (2)
- 7- Laminate Wood Flooring

Hallway

- 1- Drywall & Texture
- 2- Trim
- 3- Outlet & Switch Covers
- 4- Painting
- 5- Can Lights
- 6- Laminate Wood Flooring

Dining Room

- 1- Drywall & Texture
- 2- Trim
- 3- Outlet & Switch Covers
- 4- Painting
- 5- Light
- 6- Laminate Wood Flooring

Kitchen

- 1- Drywall & Texture
- 2- Trim
- 3- Outlet & Switch Covers
- 4- Painting
- 5- Lights
- 6- Laminate Wood Flooring
- 7- Cabinets & Countertops, Sink, Disposal, Fixtures
- 8- Refrigerator, Stove, Microwave, Dishwasher (USED)

Laundry & Pantry

- 1- Drywall & Texture
- 2- Trim
- 3- Outlet & Switch Covers
- 4- Painting
- 5- Can Lights
- 6- Tile Flooring
- 7- Sliding Barn Door
- 8- Hot Water Heater and Closet
- 9- Shelving

Main Bathroom

- 1- Drywall & Texture
- 2- Trim
- 3- Outlet & Switch Covers
- 4- Painting
- 5- Lights & Exhaust Fan
- 6- Tile Flooring
- 7- New Shower Area
- 8- Toilet
- 9- Vanity, Sink, Mirror, Fixtures
- 10- Linen Closet

Master Bedroom

- 1- Drywall & Texture
- 2- Trim
- 3- Outlet & Switch Covers
- 4- Painting
- 5- Light & Fan Combo
- 6- Laminate Wood Flooring
- 7- Expand Closet Area with Sliding Barn Door
- 8- Interior Door

Bedroom #2

- 1- Drywall & Texture
- 2- Trim
- 3- Outlet & Switch Covers
- 4- Painting
- 5- Light & Fan Combo
- 6- Laminate Wood Flooring
- 7- Expand Closet Area with Sliding Barn Door
- 8- Interior Door

House Systems

- 1- Redo Electrical (See Quote from A Drain's Plumbing)
- 2- Redo Plumbing (See Santos Electric's Quote)
- 3- HVAC Checked & Tune-Up

Material and Labor for 802 Main Street, Schertz

<u>Item</u>	<u>Material Cost</u>	<u>Labor Cost</u>	
Siding	\$980.00	\$950.00	
Drywall	\$1,060.00	\$2,400.00	
Paint	\$932.00	\$950.00	
Doors	\$2,735.00	\$750.00	
Window Blinds	\$360.00	\$120.00	
Lights	\$845.00	\$460.00	
Laminate Floor	\$3,030.00	\$1,500.00	
Remodel Bathroom	\$1,675.00	\$1,950.00	
Kitchen Cabinets	\$1,700.00	\$800.00	
Kitchen sink	\$120.00	\$30.00	
Appliances	\$2,400.00	\$350.00	
Water Heater Tank	\$400.00	\$120.00	
Electrical Work Santos Electrical		\$3,200.00	
Plumbing Work A Drian's Plumbing		\$5,000.00	
Window Repairs Morris Glass Company		\$245.38 Completed	
Sub-Totals	Materials \$16,237.00	Labor \$18,825.38	TOTAL \$35,062.38