

Services Contract

THE STATE OF TEXAS §

COUNTY OF DENTON §

THIS CONTRACT, is entered into on this the 19th day of September, 2022, by and between the City of Sanger, Texas, a Municipal Corporation, hereinafter called “City”, and the Sanger Area Chamber of Commerce, a Texas nonprofit corporation, hereinafter called “Chamber”, upon the following terms and conditions:

WITNESSETH

SECTION 1

Funding and Scope of Services

The City agrees to pay to the Chamber up to fifty percent (50%) of the City’s quarterly Hotel Occupancy Tax receipts from the preceding calendar quarter, not to exceed Three Thousand Five Hundred Dollars (\$3,500.00) per Quarter. The Chamber will use said funds solely for the purpose of: (a) Maintaining a tourist information center; (b) Providing general promotional and tourist advertising of the City and its vicinity; and, (c) Conducting a solicitation and operating program to attract conventions and visitors to the City (the “Services”). Quarterly payments shall be made by the City to the Chamber within twenty (20) days of receiving the quarterly tax payment.

SECTION 2

Public Purposes

In approving and authorizing the execution of this Contract, the City Council of the City of Sanger, Texas does hereby find and determine that the provision by the Chamber of the services for the public purposes set forth herein-above, and the ministerial and administrative work related to the provisions of such services and the expenditure of the funds provided by the City for such purposes, are in the public interest and beneficial to the City and its inhabitants, and furthermore, that said funds can be better expended and said public purposes more effectively accomplished through the Chamber, acting through its Board of Directors with facilities, officers and employees skilled and experienced in said services, by means of this Contract.

SECTION 3

Terms and Conditions

In connection with the funds to be paid by the City to the Chamber under the terms of this Contract, the following terms and conditions shall apply:

- (a) The use and expenditure of such funds shall be only as authorized by Section 351.101 of the Texas Tax Code and be subject to the allocation of revenue as provided for in Section 351.103 of the Texas Tax Code.
- (b) Before September 30 of each year during the term of this Contract, the Chamber shall submit and present an Annual Budget to the City Council. The Annual Budget must detail how City funds will be used to provide the services. Said presentation shall be made to the City Council by a representative of the Chamber of the Board. The Chamber shall notify the City in writing of any material changes made to the Annual Budget within thirty (30) days of making a change. The Chamber shall submit to the

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City quarterly reports listing the expenditures made by the Chamber with revenue from the Hotel Occupancy Tax as authorized herein.

- (c) The Chamber shall comply with Chapter 551 of the Texas Government Code known as the Texas Open Meeting Act and Chapter 552 of the Texas Government Code known as the Texas Open Records Act as they apply to the use of public funds by the Chamber.
- (d) The Chamber shall maintain records that accurately identify the receipt and expenditure of all revenue received by the City and shall make available to the City and its Auditor all of its books and records relative to the funds paid to the Chamber by the City under this Contract. All said records shall be retained by the Chamber for a period of five (5) years after all performance requirements are achieved for audit purposes until such audits or other administrative inquiries or open record requests are completed. The Chamber agrees to maintain the records in an accessible location.

SECTION 4

Term

The term of this Contract shall be from September 30, 2022 until September 30, 2023. This Contract may be extended by mutual consent of the parties. This Contract may be terminated, at any time by either party by giving thirty (30) days' written notice to the other party. If this Contract is terminated the last and final quarterly payment shall be prorated based on the termination date.

SECTION 5

Default

If it is found by the City or any other party that the Chamber has knowingly or unknowingly improperly expended Hotel Occupancy Tax Funds, it shall be considered a material breach of this Contract. The City shall notify the Chamber in writing of the breach. The Chamber shall have ten (10) calendar days to cure the breach or return the improperly expended funds to the City. Until the breach is cured or the funds are returned to the City, the City will be under no obligation to continue quarterly payments to the Chamber. If the breach is not cured and/or funds are not returned to the City by the Chamber within the ten (10) day cure period, this Contract shall be considered automatically terminated and no further funds shall be given by the City to the Chamber. However, in the event of termination, the City reserves the right to pursue the return of improperly expended funds from the Chamber by any and all legal means.

SECTION 6

Severability

If any provision of this Contract is found to be invalid or unenforceable by a court of competent jurisdiction, then the invalid provision will be deemed to be deleted from the Contract and the remainder of this Contract will continue to be valid and in full force and effect. This Contract shall be governed by and construed in accordance with the Laws of the State of Texas.

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SECTION 7

Independent Contractor

The relationship of the Chamber under the Terms and Conditions of this Contract shall be that of an independent Contractor of the City. Relative thereto, the City shall not be liable for any claims or demands for damages, monetary or otherwise, that may grow out of or arise from the Chamber's actions in carrying out its duties under the terms of this Contract, and the

Chamber does hereby agree and shall hold the City harmless from and indemnify it against all such claims and demands.

SECTION 8

Entire Contract

The foregoing sets forth the entire Contract between the parties hereto, superseding all oral or written previous and contemporaneous contracts between the parties relating to matters herein, and except as otherwise provided herein cannot be modified without written amendment executed by each of the parties.

SECTION 9

Headings

The headings of this Contract are for the convenience of reference only and shall not affect any of the terms and conditions hereof in any manner.

APPROVED and ADOPTED by the Sanger Area Chamber of Commerce this 19 day of September, 2022.

Signed: _____
Kelsi Bannahan, President

Attest: _____
Debbie Reaves, Chamber Administrator

APPROVED and ADOPTED by the Sanger, Texas City Council the 19th day of September 2022.

Signed: _____
Thomas E. Muir, Mayor

Attest: _____
Kelly Edwards, City Secretary

Approved as to form: _____
Hugh Coleman, City Attorney