

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF DENTON APPROVING AN ACQUISITION AGREEMENT WITH THE DENTON DESTINATION MANAGEMENT AND MARKETING ORGANIZATION FOR THE TRANSFER OF THE EQUIPMENT AND OTHER ASSETS OF DISCOVER DENTON, THE ASSUMPTION OF CERTAIN CONTRACTS BY THE DENTON DESTINATION MANAGEMENT AND MARKETING ORGANIZATION, AND THE GRANT OF AN INTELLECTUAL PROPERTY LICENSE TO THE DENTON DESTINATION MANAGEMENT AND MARKETING ORGANIZATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, on July 16, 2024, the City Council of Denton directed City Staff to begin the process of transitioning Discover Denton from being a line of business of the Denton Chamber of Commerce to an independent Destination Marketing Organization beginning with a temporary move under City Management; and

WHEREAS, on December 17, 2024, pursuant to Ordinance No. 24-2486, the City acquired all of the equipment, intellectual property, and other assets of Discover Denton from the Chamber of Denton Chamber of Commerce for the purpose of temporarily operating Discover Denton as a City department before transitioning the tourism management and marketing functions of Discover Denton to an operationally independent Destination Management and Marketing Organization; and

WHEREAS, pursuant to Resolution No. 26-0181, the City created the Denton Destination Management and Marketing Organization, a Texas nonprofit corporation (the DMMO) to perform the tourism management and marketing functions of Discover Denton; and

WHEREAS, the conveyance of certain specified assets and liabilities that are necessary for the operation of Discover Denton to the DMMO from the City pursuant to an acquisition agreement, to form of which is attached hereto and incorporated herein by reference as Exhibit A (the "Discover Denton Acquisition Agreement") is necessary for the DMMO to perform the tourism management and marketing functions of Discover Denton; and

WHEREAS, the operation of Discover Denton by the DMMO serves the public interest by stimulating business and commercial activity in the City and by promoting tourism and the convention and hotel industry; NOW, THEREFORE,

THE COUNCIL OF THE CITY OF DENTON HEREBY ORDAINS:

SECTION 1. The matters set forth in the recitals of this Ordinance are true and correct, are fully incorporated as part of this Ordinance for all purposes, and constitute findings of the City Council acting in its legislative capacity.

SECTION 2. The City Manager, or their designee, is hereby authorized to execute the Discover Denton Acquisition Agreement in the form attached hereto as Exhibit A, and to take any additional actions deemed necessary by the City Manager or the City Attorney to give effect thereto, including executing any Ancillary Documents which have been approved as to form by the City Attorney, as such are defined in the Discover Denton Acquisition Agreement, to the

extent allowable by the City’s Charter and other applicable law.

SECTION 3. The City Council hereby expressly delegates the authority to take any actions that may be required or permitted to be performed by the City of Denton under the Agreement and this Ordinance to the City Manager or their designee.

SECTION 4. This Ordinance shall take effect immediately from and after its passage.

The motion to approve this resolution was made by _____ and seconded by _____, the resolution was passed and approved by the following vote [____ - ____]:

	Aye	Nay	Abstain	Absent
Mayor Gerard Hudspeth:	_____	_____	_____	_____
Vicki Byrd, District 1:	_____	_____	_____	_____
Brian Beck, District 2:	_____	_____	_____	_____
Suzi Rumohr, District 3:	_____	_____	_____	_____
Joe Holland, District 4:	_____	_____	_____	_____
Brandon Chase McGee, At Large Place 5:	_____	_____	_____	_____
Jill Jester, At Large Place 6:	_____	_____	_____	_____

PASSED AND APPROVED this the _____ day of _____, 2026.

GERARD HUDSPETH, MAYOR

ATTEST:
INGRID REX, CITY SECRETARY

BY: _____

APPROVED AS TO LEGAL FORM:
MACK REINWAND, CITY ATTORNEY

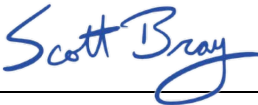
BY:  _____
Scott Bray
Deputy City Attorney

Exhibit A

DENTON DMMO ACQUISITION AGREEMENT

This acquisition agreement (hereinafter the “Primary Agreement”) is entered into by and between The Denton Destination Management and Marketing Organization, a Texas nonprofit corporation (hereinafter referred to as “DMMO”) and the City of Denton, Texas, a Texas municipal corporation (hereinafter “City”). The City and DMMO are collectively referred to as the “Parties”.

WHEREAS, on December 17, 2024, pursuant to Ordinance No. 24-2486, the City executed a contract with the Denton Chamber of Commerce for the acquisition of equipment, intellectual property, and other assets of Discover Denton, then a line of business under the Chamber of Commerce, for the purpose of temporarily operating Discover Denton as a City department before transitioning the tourism management and marketing functions of Discover Denton to an operationally independent Destination Management and Marketing Organization; and

WHEREAS, pursuant to Resolution No. 26-0181, the City created the DMMO for the purpose of carrying-over the tourism management and marketing functions of Discover Denton; and

WHEREAS, the City wishes to convey, and the DMMO agrees to acquire, substantially all of the assets and certain specified liabilities of the City that are necessary for the DMMO to perform the tourism management and marketing functions of Discover Denton; and

WHEREAS, the DMMO’s acquisition of said assets and liabilities serves the public interest by stimulating business and commercial activity in the City and by promoting tourism and the convention and hotel industry; and

WHEREAS, this Agreement shall be binding upon and shall enure to the benefit of the Parties; and

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the above recitals and mutual covenants, obligations, promises, and releases contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby mutually agree as follows

ARTICLE I. DEFINITIONS

- 1.1. “**Acquisition Documents**” means this Agreement and all exhibits, schedules, and other agreements included herein or required hereby.
- 1.2. “**Action**” means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

- 1.3. "**Affiliate**" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether by contract or otherwise.
- 1.4. "**Agreement**" has the meaning set forth in the preamble.
- 1.5. "**Ancillary Documents**" means the Bill of Sale, the Assumed Contract Assignment(s), Assignment and Assumption of Leases, the Intellectual Property License, the HOT Agreement, and the other agreements, instruments and documents required to be delivered at or before the Closing.
- 1.6. "**Assigned Contracts**" has the meaning set forth in Section 2.1.
- 1.7. "**Assignment and Assumption of Lease**" has the meaning set forth in Section 3.2.
- 1.8. "**Assumed Contract Assignments**" has the meaning set forth in Section 3.2.
- 1.9. "**Assumed Liabilities**" has the meaning set forth in Section 2.4.
- 1.10. "**Bill of Sale**" has the meaning set forth in Section 3.2.
- 1.11. "**Books and Records**" has the meaning set forth in Section 2.1.
- 1.12. "**DMMO**" means the Denton Destination and Management Organization, a Texas nonprofit corporation located at 401 N Elm St, Denton, TX 76201.
- 1.13. "**City**" means the City of Denton, a Texas municipal corporation located at 215 E. McKinney, Denton, Texas 76201.
- 1.14. "**City Indemnitees**" has the meaning set forth in Section 9.2.
- 1.15. "**Closing**" has the meaning set forth in Section 3.1.
- 1.16. "**Closing Date**" has the meaning set forth in Section 3.1.
- 1.17. "**Contracts**" means any contracts, leases, deeds, mortgages, licenses, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.
- 1.18. "**Development Services Lease**" has the meaning set forth in Section 3.2.
- 1.19. "**Discover Denton**" means all business conducted by the City to promote tourism and convention business in the City, and includes all of the assets, liabilities, rights, and obligations attendant thereto whether held under the name of the City, Discover Denton, neither, or both.
- 1.20. "**Excluded Assets**" has the meaning set forth in Section 2.3.
- 1.21. "**Excluded Contracts**" has the meaning set forth in Section 2.3.
- 1.22. "**Excluded Liabilities**" has the meaning set forth in Section 2.5.

1.23. “**Intellectual Property Agreements**” means all licenses, sublicenses, consent to use agreements, settlements, coexistence agreements, covenants not to sue, waivers, releases, permissions and other Contracts, whether written or oral, relating to any Intellectual Property that is used or held for use in the conduct of Discover Denton and currently to which City is a party, beneficiary or otherwise bound.

1.24. “**Intellectual Property Assets**” means all intellectual property that was created or owned by City and used or held for use in the conduct of Discover Denton or the promotion of tourism in the City of Denton (including without limitation the Discover Denton brand name, trade names, logos, and goodwill), as currently conducted.

1.25. “**Intellectual Property License**” has the meaning set forth in Section 3.2.

1.26. “**Inventory**” has the meaning set forth in Section 2.1.

1.27. “**Liabilities**” means liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise.

1.28. “**Person**” means an individual, corporation, partnership, joint venture, limited liability company, Governmental Authority, unincorporated organization, trust, association or other entity.

1.29. “**Representative**” means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, counsel, accountants and other agents of such Person.

1.30. “**Tangible Personal Property**” has the meaning set forth in Section 2.1.

1.31. “**Transferred Assets**” has the meaning set forth in Section 2.1.

ARTICLE II. TRANSFER OF ASSETS AND LIABILITIES

2.1. *Transfer of Assets.* Subject to the terms and conditions of this Agreement, at the Closing, the City shall grant, bargain, transfer, convey, assign, and deliver to the DMMO, and the DMMO shall acquire and accept from the City, all of the City’s right, title, and interest in, to, and under all of the assets, properties, and rights of every kind and nature, whether real, personal, or mixed, tangible or intangible (including goodwill), wherever located and whether now existing or hereafter acquired (other than the Excluded Assets), which relate to, or are used or held for use in connection with, Discover Denton (collectively, the “**Transferred Assets**”), including, without limitation, the following:

- a) All inventory, finished goods, raw materials, work in progress, packaging, supplies, parts, and other inventories (“**Inventory**”);
- b) All Contracts set forth on Schedule 1 (the “**Assigned Contracts**”);

- c) All furniture, fixtures, equipment, machinery, tools, vehicles, office equipment, supplies, computers, telephones, and other tangible personal property set forth on Schedule 2 (the “**Tangible Personal Property**”);
- d) All leased real property;
- e) All permits which are held by the City and required for the conduct of Discover Denton as currently conducted or for the ownership and use of the Transferred Assets;
- f) all of the City's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Transferred Assets; and
- g) originals, or where not available, copies, of all books and records, including, but not limited to, books of account, ledgers and general, financial and accounting records, machinery and equipment maintenance files, price lists, distribution lists, supplier lists, production data, quality control records and procedures, research and development files, records and data, sales material and records (including pricing history, total sales, terms and conditions of sale, sales and pricing policies and practices), strategic plans, internal financial statements, and marketing and promotional surveys (“**Books and Records**”); and
- h) all goodwill associated with any of the assets described in the foregoing clauses.

2.2. *Transfer Documents.* The parties agree to cooperate as reasonably necessary to execute any additional instruments or agreements necessary to effectuate the transfer contemplated herein, including execution of a Bill of Sale or other documents deemed necessary by the City.

2.3. *Excluded Assets.* Notwithstanding any other provision of this Agreement, the Transferred Assets shall not include the following assets (collectively, the “**Excluded Assets**”):

- a) All accounts or notes receivable, cash, or cash equivalents of the City;
- b) Contracts, including Intellectual Property Agreements, that are not Assigned Contracts (the “**Excluded Contracts**”);
- c) All Intellectual Property Assets;
- d) the seals, organizational documents, minute books, financial documents, books of account or other records having to do with the organization or operation of the City;
- e) all employee benefit plans and assets attributable thereto;
- f) the assets, properties and rights of the City not primarily used in connection with Discover Denton; and
- g) the rights which accrue or will accrue to the City under this Agreement and the Ancillary Documents.

2.4. *Assumed Liabilities.* Subject to the terms and conditions set forth herein, DMMO shall assume and agree to pay, perform and discharge the following Liabilities of the City (collectively, the "**Assumed Liabilities**"), including, without limitation, the following:

- a) all Liabilities and obligations arising under or relating to the Assigned Contracts;

2.5. *Excluded Liabilities.* Notwithstanding the provisions of Section 2.4 or any other provision in this Agreement to the contrary, the DMMO shall not assume and shall not be responsible to pay, perform or discharge any Liabilities of the City or any of its Affiliates of any kind or nature whatsoever other than the Assumed Liabilities (the "**Excluded Liabilities**"). Without limiting the generality of the foregoing, the Excluded Liabilities shall include, but not be limited to, the following:

- a) any Liabilities of City arising or incurred in connection with the negotiation, preparation, investigation and performance of this Agreement, the Ancillary Documents and the transactions contemplated hereby and thereby, including, without limitation, fees and expenses of counsel, accountants, consultants, advisers and others;
- b) any Liabilities relating to or arising out of the Excluded Assets, except where otherwise agreed in the Ancillary Documents; and
- c) any Liabilities of City arising under or in connection with any employee benefit plan providing benefits to any present or former employee of City.

2.6. *Third Party Consents.* To the extent that City's rights under any Contract or Permit constituting a Transferred Asset, or any other Transferred Asset, may not be assigned to DMMO without the consent of another Person which has not been obtained, this Agreement shall not effect the assignment of the same if an attempted assignment would constitute a breach thereof or be unlawful..

ARTICLE III. CLOSING

3.1. *Closing.* Subject to the terms and conditions of this Agreement, the consummation of the transactions contemplated by but not expressly effectuated by this Agreement (the "**Closing**") shall take place on or before May 8, 2026 or on such other date as DMMO and City may mutually agree upon in writing (the "**Closing Date**").

3.2. *Closing Deliverables.*

3.2.1. On or before the Closing Date, the City shall deliver to the DMMO the following:

- a) A bill of sale in the form of Exhibit A hereto (the "**Bill of Sale**") and duly executed by City, transferring the tangible personal property included in the Transferred Assets to DMMO;

- b) an Intellectual Property License Agreement in the form of Exhibit B hereto (the "**Intellectual Property License**") and duly executed by City, providing for a limited license for the use of the Intellectual Property Assets to the DMMO;
 - c) With respect to each Assigned Contract and to the extent necessary for DMMO to operate Discover Denton, an Assignment Agreement effecting the assignment to and assumption by the DMMO of the Assigned Contract in a form and substance satisfactory to the City (each an "**Assumed Contract Assignment**") duly executed by the City and any other necessary parties to the Assigned Contract, except that City's failure or refusal to execute or deliver any particular Assumed Contract Assignment shall not affect the Closing or DMMO's obligations under this Agreement;
 - d) With respect to the Visitor's Center Lease, an Assignment and Assumption of Lease in form and substance satisfactory to the City (the "**Assignment and Assumption of Lease**") and duly executed by City;
 - e) A lease agreement for the use by the DMMO of an area within the City's facility located at 401 N. Elm Street, Denton, TX 76201, in form and substance satisfactory to the City (the "**Development Services Lease**") and duly executed by City;
 - f) An agreement for the provision of Hotel Occupancy Tax funds to the DMMO for the purpose of promoting tourism and the convention and hotel industry in form and substance satisfactory to the City and which has been approved by the City Council of the City (the "**HOT Agreement**"); and
 - g) Such other customary instruments of transfer, assumption, filings or documents, in form and substance satisfactory to the City, as may be required to give effect to this Agreement.
- 3.2.2. On or before the Closing Date, the DMMO shall deliver to the City the following:
- a) With respect to each Assigned Contract, an Assumed Contract Assignment duly executed by the DMMO;
 - b) With respect to the Visitor's Center Lease, an Assignment and Assumption of Lease duly executed by the DMMO;
 - c) The Intellectual Property License, duly executed by the DMMO;
 - d) The HOT Agreement, duly executed by the DMMO;
 - e) The Development Services Lease duly executed by the DMMO; and
 - f) such other customary instruments of transfer, assumption, filings or documents as may be required to give effect to this Agreement.

ARTICLE IV. REPRESENTATIONS AND WARRANTIES OF THE CITY

For the purposes of this Agreement, except as otherwise provided herein, the City represents and warrants that the statements in this Article IV are true and correct as of the date hereof.

4.1. *Authority of City.* City has full power and authority to enter into this Agreement and the Ancillary Documents to which City is or will be a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by City of this Agreement and any Ancillary Document to which City is or will be a party, the performance by City of its obligations hereunder and thereunder and the consummation by City of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of City. This Agreement has been duly executed and delivered by City, and (assuming due authorization, execution and delivery by DMMO) this Agreement constitutes a legal, valid and binding obligation of City enforceable against City in accordance with its terms. When each Ancillary Document to which City is or will be a party has been duly executed and delivered by City (assuming due authorization, execution and delivery by each other party thereto), such Ancillary Document will constitute a legal and binding obligation of City enforceable against it in accordance with its terms.

4.2. *No Violation.* None of (i) the execution and delivery of this Agreement or any of the other Acquisition Documents by the City, (ii) the performance by the City of its obligations hereunder or thereunder, (iii) the consummation of the transactions contemplated hereby or thereby after the Closing, will violate any statute, law, judgment, decree, order, regulation, or rule of any court or governmental authority to which the City or the Transferred Assets is subject.

4.3. *Contracts and Commitments.*

4.3.1. Schedule 1 lists each of the Contracts by which any of the Transferred Assets are bound or affected or to which City is a party or by which it is bound in connection with Discover Denton or the Transferred Assets (“the Assigned Contracts”).

4.3.2. At the DMMO's request, the City shall deliver or cause to be delivered to the DMMO full and complete copies of the documents identified above and all such other agreements and instruments as DMMO may reasonably request.

4.3.3. Each of the contracts listed on Schedule 1 is valid and binding, and each of the contracts binding on the City (whether or not listed on Schedule 1) has been entered into in the ordinary course of business, and none of the contracts binding on the City contains terms or conditions that are materially adverse to the City. Neither the City nor any other party hereto is in default under or in breach or violation of, and neither the City nor any other party hereto has received notice of any asserted claim of default by any other party under, or a breach or violation of, any of the contracts, agreements, and commitments described in this Section 4.3, including without limitation, any licensing or usage

agreements with respect to the technology that the City now uses or currently intends and plans to use.

4.4. *Licenses, Permits, and Authorizations.* The City has all approvals, authorizations, consents, licenses, franchises, orders, and other permits (collectively, “**Licenses**”) of (i) any governmental or regulatory agency, whether federal, state, local or foreign, and (ii) all trade or industry associations, required to permit it to carry on its business as presently conducted, all of which are in full force and effect.

4.5. *No Other Representations or Warranties.* Except for the representations and warranties contained in this Article IV (including the related portions in the attached Schedules), neither City nor any other person has made or makes any other express or implied representation or warranty, either written or oral, on behalf of the City, including any representation or warranty as to the accuracy or completeness of any information regarding Discover Denton and the Transferred Assets furnished or made available to DMMO, or as to future revenue, incentives or grants to DMMO from the City, or any representation or warranty arising from statute or otherwise in law.

ARTICLE V. REPRESENTATIONS AND WARRANTIES OF DMMO

DMMO represents and warrants to the City that the statements contained in this Article V are true and correct as of the date hereof.

5.1. *Organization and Authority of DMMO.* DMMO is a nonprofit corporation duly organized, validly existing, and in good standing under the laws of the State of Texas.

5.2. *Authority of DMMO.* DMMO has full power and authority to enter into this Agreement and the Ancillary Documents to which DMMO is or will be a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by DMMO of this Agreement and any Ancillary Document to which DMMO is or will be a party, the performance by DMMO of its obligations hereunder and thereunder and the consummation by DMMO of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of DMMO. This Agreement has been duly executed and delivered by DMMO, and (assuming due authorization, execution and delivery by City) this Agreement constitutes a legal, valid and binding obligation of DMMO enforceable against DMMO in accordance with its terms. When each Ancillary Document to which DMMO is or will be a party has been duly executed and delivered by DMMO (assuming due authorization, execution and delivery by each other party thereto), such Ancillary Document will constitute a legal and binding obligation of DMMO enforceable against it in accordance with its terms.

ARTICLE VI. PRE-CLOSING OBLIGATIONS OF THE PARTIES

6.1. *Closing Conditions.* From the date hereof until the Closing, each party hereto shall use reasonable best efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in Article VII hereof.

6.2. *Further Assurances.* Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the Ancillary Documents.

ARTICLE VII. CONDITIONS TO CLOSING

7.1. *Conditions to Obligations of City.* The obligations of City to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment, at or prior to the Closing, of each of the following conditions:

- a) No Action shall have been commenced against City or DMMO which would prevent the Closing;
- b) The representations and warranties of DMMO contained in Article V shall be true and correct in all respects as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, which shall be true and correct in all respects as of that specified date), except where the failure of such representations and warranties to be true and correct would not have a material adverse effect on DMMO's ability to consummate the transactions contemplated hereby.
- c) DMMO shall have delivered to City duly executed counterparts to the Ancillary Documents and such other documents and deliveries set forth in Section 3.2; and
- d) DMMO shall have delivered to City such other documents or instruments as City reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

7.2. *Conditions to Obligations of DMMO.* The obligations of DMMO to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or DMMO's waiver, at or prior to the Closing, of each of the following conditions:

- a) City shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Ancillary Documents to be performed or complied with by it prior to or on the Closing Date;

- b) City shall have delivered to DMMO duly executed counterparts to the Ancillary Documents and such other documents and deliverables set forth in Section 3.2, except that City's failure or refusal to execute or deliver any particular Assumed Contract Assignment shall not affect the DMMO's obligations under this Agreement; and
- c) City shall have delivered to DMMO such other documents or instruments as DMMO reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

ARTICLE VIII. POST-CLOSING COVENANTS

8.1. *Further Assurances.* Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement and the Ancillary Documents.

ARTICLE IX. INDEMNIFICATION

9.1. *Survival.* Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is 2 years from the Closing Date; *provided, that* the representations and warranties in Section 4.1, Section 5.1, and Section 4.1 shall survive indefinitely. All covenants and agreements of the parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved.

9.2. *Indemnification By DMMO.* Subject to the other terms and conditions of this Article IX, from and after Closing, DMMO shall indemnify and defend each of City and its Affiliates and their respective Representatives (collectively, the "City Indemnitees") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all losses incurred or sustained by, or imposed upon, the City Indemnitees based upon, arising out of, with respect to or by reason of:

- a) any inaccuracy in or breach of any of the representations or warranties of DMMO contained in this Agreement, the Ancillary Documents or in any certificate or instrument delivered by or on behalf of DMMO pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or

warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

- b) any breach or non-fulfillment of any covenant, agreement or obligation to be performed by DMMO pursuant to this Agreement, the Ancillary Documents, the Assigned Contracts, or any certificate or instrument delivered by or on behalf of DMMO pursuant to this Agreement;
- c) any Excluded Asset or any Excluded Liability; or
- d) any third-party claim based upon, resulting from or arising out of the business, operations, properties, assets or obligations of DMMO or any of its Affiliates.

9.3. *City Reimbursement, Credit.* If, at any point after the Closing Date, the City pays any portion of the Assumed Liabilities due to the DMMO's failure to perform, breach, or default under any of the Assumed Contracts, or because of the failure or refusal of a third party to release the City from any Assumed Contract, City may, at its option, withhold payment to the DMMO under the HOT Agreement up to the amount of such payment related to the Assumed Liability. To the extent that the HOT Agreement and this Section 9.3 conflict, the terms of the HOT Agreement shall control.

ARTICLE X. TERMINATION

10.1. *Termination.* This Agreement may be terminated at any time prior to the Closing:

- a) by the mutual written consent of DMMO and City;
- b) by City by written notice to DMMO if:
 - (i) City is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by DMMO pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VI and such breach, inaccuracy or failure has not been cured by DMMO within three (3) days of DMMO's receipt of written notice of such breach from City; or
 - (ii) any of the conditions set forth in Section 7.1 or Section 7.2 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by Closing, unless such failure shall be due to the failure of City to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing;
- c) by DMMO by written notice to City if:

- (i) DMMO is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by City pursuant to this Agreement that would give rise to the failure of any of the conditions specified in Article VIII and such breach, inaccuracy or failure has not been cured by City before the final possible Closing Date; or
- (ii) any of the conditions set forth in Section 7.1 or Section 7.2 shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by Closing, unless such failure shall be due to the failure of DMMO to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it prior to the Closing; or
- d) by City or DMMO in the event that there shall be any law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited.

10.2. *Effect of Termination.* In the event of the termination of this Agreement in accordance with this Article, this Agreement shall forthwith become void and there shall be no liability on the part of any party hereto except:

- a) that the obligations set forth in this Article X and Article XI hereof shall survive termination; and
- b) that nothing herein shall relieve any party hereto from liability for any willful breach of any provision hereof.

ARTICLE XI. MISCELLANEOUS

11.1. *Expenses.* Except as otherwise expressly provided herein, all costs and expenses, including, without limitation, fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

11.2. *Notice.* Any notice required to be given under this Agreement or any statute, ordinance, or regulation, shall be effective when given in writing and deposited in the United States mail, certified mail, return receipt requested, or by hand-delivery, addressed to the respective parties as follows:

CITY

DENTON DMMO

City Manager
City of Denton
215 E. McKinney
Denton, Texas 76201

Executive Director
Denton Destination Management and
Marketing Organization
401 N. Elm
Denton, Texas 76201

11.3. *Headings.* The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

11.4. *Severability.* If any section, subsection, paragraph, sentence, clause, phrase or word in this Agreement, or application thereof to any person or circumstance is held invalid by any court of competent jurisdiction, such holding shall not affect the validity of the remaining portions of this Agreement, and the parties hereby declare they would have enacted such remaining portions despite any such invalidity.

11.5. *Entire Agreement.* This Agreement and the Ancillary Documents constitute the sole and entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersede all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the Ancillary Documents, the Exhibits and schedules, the statements in the body of this Agreement will control.

11.6. *Non-Assignment.* This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party.

11.7. *Amendment and Modification; Waiver.* This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

11.8. *Governing Law and Venue.* The laws of the State of Texas shall govern the validity, construction, enforcement, and interpretation of this Agreement. All claims, disputes and other matters in question arising out of or relating to this Agreement or the Ancillary Documents, or the breach thereof, shall be decided by proceedings instituted and litigated in a court of competent jurisdiction in Denton County, Texas, and the parties hereto expressly consent to the venue and jurisdiction of such court.

11.9. *Specific Performance.* The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

11.10. *Counterparts.* This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement.


A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement through their duly authorized representatives, to be effective as of the Effective Date.

THE CITY OF DENTON

**DENTON DESTINATION
MANAGEMENT AND
MARKETING ORGANIZATION**

By: _____
Cassey Ogden, Interim City Manager

By:  _____

Name: GLENN T. CARLTON

Title: CHAIRMAN

Attest:

Ingrid Rex, City Secretary

Approved as to business and operational terms:

DocuSigned by:


Christine Taylor, Assistant City Manager

Approved as to legal form:

By:  _____
Scott Bray
Deputy City Attorney
Mack Reinwand, City Attorney

Schedule 1
Third Party Contracts or Agreements

To the best of CITY’s knowledge and belief the Third-Party Contracts or Agreements listed below comprises the complete list of Third Party Contracts or Agreements CITY used to operate Discover Denton prior to the Termination Date.

Contract(s)	Description	Type
Threshold 360	Virtual tours platform, map builder, analytics	Software
Simpleview	Multiple: CRM, integrations, tools, event impact calculator	Service
Cvent	RFP Services, Advertising, Analytics, and Tools	Software
SnapSea	User Generated Content Management Platform	Software
EON	Multiple: Managed IT Services	Service
Lamar	Billboard advertising	Service
TWU	Sponsorship	Service
UNT Mean Green	Sponsorship	Service

Schedule 2
Tangible Personal Property

EXHIBIT A
Form of Bill of Sale

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, The City of Denton, Texas, a Texas municipal corporation ("**City**"), does hereby grant, bargain, transfer, sell, assign, convey and deliver to the Denton Destination Management and Marketing Organization, a Texas nonprofit corporation ("**DMMO**"), all of its right, title, and interest in and to the Transferred Assets, as such term is defined in the Denton DMMO Acquisition Agreement, dated as of April 7, 2026 (the "**Purchase Agreement**"), by and between DMMO and City, to have and to hold the same unto DMMO, its successors and assigns, forever.

DMMO acknowledges that City makes no representation or warranty with respect to the assets being conveyed hereby except as specifically set forth in the Purchase Agreement.

This Bill of Sale shall be binding upon and enure to the benefit of the successors and permitted assigns of DMMO and City.

This Bill of Sale shall be governed by, interpreted under, and construed and enforceable in accordance with the laws of the State of Texas.

IN WITNESS WHEREOF, the undersigned has executed this Bill of Sale as of the day and year first written above.

City of Denton, TX

By: _____

Name: _____

Title: _____

EXHIBIT B
Form of Intellectual Property License Agreement

**DISCOVER DENTON
INTELLECTUAL PROPERTY LICENSE AGREEMENT**

This Intellectual Property License Agreement (this “Agreement”) is entered into between the City of Denton, a Texas municipal corporation (“Licensor”), and Denton Destination Marketing and Management Organization, a Texas nonprofit corporation (“Licensee”).

Recitals

- A. Licensor is the sole and exclusive owner of the trademark and service mark DISCOVER DENTON in name and word form and all design variations used to date by Licensor or its authorized licensees; the brand “Discover Denton”; all other related marks, their graphic representations, trade dress, and artwork as may be designated by Licensor in writing; social media handles and content for “Discover Denton”; and such related copyright material as may be designated by Licensor now or in the future in writing (collectively, the “Mark”); and
- B. Licensee desires to license the right to use the Mark in connection with its business of promoting, managing, and marketing tourism in the City of Denton.

NOW, THEREFORE, the parties agree as follows:

- 1. Grant of License. Licensor grants to Licensee a limited, royalty-free, exclusive license, with no right to sublicense, to use the Mark (as defined in the Recitals to this Agreement, which are incorporated herein by reference) in connection with its business of promoting, managing, and marketing tourism in the City of Denton. Licensor will provide to Licensee, upon request by Licensee, any files, media, or materials created by Licensor and held by Licensor in relation to Licensor’s use of the Mark for Licensee to use consistent with the terms of this Agreement.
- 2. Quality Control. Licensee agrees that goods or services associated with the Mark will be of high quality, at least equal to or better than the quality of the goods or services currently provided by the Licensor in connection with the Mark, and that Licensee will conduct itself in a manner so as to preserve the rights of Licensor in the Mark and the goodwill associated with the Mark, will not do anything that would damage or depreciate such goodwill, and will cooperate with Licensor in taking such actions as are reasonably necessary or desirable to ensure quality compliance, as may be reasonably specified by Licensor from time to time. Licensee shall provide copies of uses of the Mark, including merchandise, advertising, and promotional materials, for review by Licensor in a timely manner upon the reasonable request of Licensor. Licensor may, in its sole discretion, prohibit specific uses of the Mark it deems to be misleading, offensive, or harmful to the reputation of Licensor or the Mark by designating such prohibited uses in writing to Licensee.
- 3. Proceeds. Proceeds from Licensee’s use of the Mark shall be used exclusively by Licensee for the nonprofit purposes of Licensee related to the promotion, management, and marketing of tourism in the City of Denton.

4. Termination. The license provided by this Agreement shall continue for as long as Licensor and Licensee have an active, unexpired, valid, and enforceable agreement under which Licensor provides or has provided funds derived from hotel occupancy taxes to Licensee, except that the license may be terminated by either party at any time at such party's convenience by providing notice of termination to the other party at least 90 days prior to the termination date. Licensor may terminate this Agreement immediately for cause if, within 5 days of receiving notice of breach of this Agreement from Licensor, Licensee has failed to cure its breach of this Agreement. Upon receiving notice of breach from Licensor, Licensee shall immediately halt all use of the Mark until the breach has been cured.
5. Post-termination Rights. Not less than thirty (30) days after termination of this Agreement, Licensee agrees to return to Licensor all materials and inventory bearing the Mark to Licensor, at no cost to Licensor. Upon termination, all of the rights of Licensee to use of the Mark under this Agreement shall terminate and immediately revert to Licensor, and Licensee shall immediately discontinue all use of the Mark.
6. Assignment. No part of this Agreement, nor any rights conferred hereby, may be assigned or otherwise transferred without express prior written consent from Licensor.
7. Retention of Ownership. Licensee acknowledges that Licensor is the sole and exclusive owner of the Mark and that Licensor retains all ownership rights, subject to the limited license granted pursuant to this Intellectual Property License Agreement, and that Licensor makes no representations or warranties, express or implied, except as expressly set forth in this Agreement. All usage of the Mark shall inure to the benefit of Licensor. Licensor has the right, but not the obligation, to apply to register the Mark, in all forms and variations, including as a trademark or service mark, as the case may be, with any or all state, federal, or foreign trademark authorities as Licensor shall, in its sole discretion, determine. Licensee shall cooperate with Licensor to sign all documents, provide adequate specimens and information, and to take all steps reasonably necessary to allow Licensor to register the Mark as so determined. Licensee shall not register or use or assist a third party in registration or use of any trademark, service mark, name, or other marks that are confusingly similar to the Mark.
8. Protection of Mark. Licensor shall have the sole and exclusive right, in its discretion, to institute and prosecute lawsuits against third persons for infringement of the rights licensed in this Agreement. All sums recovered in any such lawsuits, whether by judgment, settlement, or otherwise, in excess of the amount of reasonable attorneys' fees and other out of pocket expenses of such suit, shall be retained solely by Licensor. Licensee agrees to fully cooperate with Licensor in the prosecution of any such suit against a third party and shall execute all papers, testify on all matters, and otherwise cooperate in every way necessary and desirable for the prosecution of any such lawsuit. Licensee shall notify Licensor immediately of any known or suspected infringement or claims of infringement of the Mark or arising from the use of the Mark.
9. Responsibility for Licensed Products and Services. Licensee shall be solely responsible for and assume all costs and liabilities related to: (a) the quality of the licensed products and services

bearing the Mark, (b) any defect in or of licensed products (whether such defect be in materials, workmanship, or design) or failure of the licensed services, (c) product liability of the licensed products, (d) conformance of licensed products and services with all applicable laws, rules, regulations, and standards, including health and agricultural regulations, and (e) the promotion, sale, documentation, and marketing of licensed products and services. Licensee shall be solely responsible for the payment and discharge of any taxes or duties relating to any transactions of Licensee, its subsidiaries, employees, contractors, agents, or sublicensees, in connection with the manufacture, use, distribution, or sale of licensed products or services.

10. Licensee Protection of Licensor. During the term of this Agreement, and continuing after the expiration or termination of this Agreement, LICENSEE SHALL INDEMNIFY, REIMBURSE, HOLD HARMLESS, AND DEFEND LICENSOR FROM ANY LOSS, LIABILITY, DAMAGE, COST, OR EXPENSE ARISING OUT OF ANY CLAIMS OR SUITS WHICH MAY BE BROUGHT OR MADE AGAINST LICENSOR BY REASON OF: (I) ANY BREACH OF LICENSEE'S COVENANTS AND UNDERTAKINGS HEREUNDER; (II) ANY UNAUTHORIZED USE OF THE MARK; (III) LICENSEE'S NON-COMPLIANCE WITH ANY APPLICABLE FEDERAL, STATE, OR LOCAL LAWS OR WITH ANY OTHER APPLICABLE REGULATIONS; AND (V) ANY PRODUCT LIABILITY, ANY ALLEGED DEFECT IN MATERIALS OR WORKMANSHIP, ALLEGED INHERENT DANGERS (WHETHER OBVIOUS OR HIDDEN) IN THE LICENSED PRODUCTS OR THE USE THEREOF.
11. Audit. Licensor shall have the right, upon at least five (5) days' written notice, to inspect Licensee's books and records and all other documents and material in possession of or under the control of Licensee with respect to the subject matter of this Agreement at Licensee's primary business address. Licensor shall have free and full access thereto for such purposes and shall be permitted to make copies thereof and extracts therefrom.
12. Relationship. Nothing in this Agreement shall be construed as creating a joint venture, partnership, agency, or employment relationship between the parties hereto. Except as specified herein, neither party shall have the right power, or implied authority to create any obligation or duty, express or implied, on behalf of the other party hereto.
13. Disputes. The rights and liabilities of the parties arising out of or relating to this Agreement will be governed by the laws of the State of Texas and any disputes between the parties will be handled in a court of competent jurisdiction in Denton County, Texas.
14. Effective Date. This Intellectual Property License Agreement will be effective on May 8, 2026.

[Signature page follows]

In witness whereof, this Intellectual Property License Agreement is effective upon the Effective Date and has been duly executed by the following:

THE CITY OF DENTON

DENTON DESTINATION MANAGEMENT AND MARKETING ORGANIZATION

By: _____
Cassey Ogden, Interim City Manager

By:  _____

Name: GLENN T. CARLTON

Title: CHAIRMAN

Attest:

Ingrid Rex, City Secretary

Approved as to business and operational terms:

DocuSigned by:


Christine Taylor, Assistant City Manager

Approved as to legal form:

 Scott Bray
Deputy City Attorney
By: _____
Mack Reinwand, City Attorney

Schedule 2

Item(s)	Quantity
Laptops	8
Desktops	2
Printers	2
Zebra printer	1
Keyboards	10
Mice	9
Docking Stations	9
Monitors	17
Large TVs	4
TV with stand	1
TruOmni boards	2
TruOmni board travel case	1
External Drive	1
Point of Sale System	1
Cell Phone	1
iPad	2
Bluetooth speaker	1
Visitor Guides	10,000
Branded Tent	1
Table Runners	2
Branded Wagon	2
Unbranded Wagon	1
Popup Banners	3
Desktop Banner	1
Coffin racer	1
A-frame sign holders	10
Discover Denton promotional items	Various
Source Strategies Reports	Various

Visitor Center

Clothing rack-	8
Shelves-	10
Desks-	3
TV Stand-	1
Counter-	3
Brochure rack-	2
Bench-	1
Metal grid-	8
Neon sign-	3
Tables-	10
Mirror-	1
Trash cans-	7
Sticker rack-	4
Spinning rack-	1
T-shirt tower-	1
Candle display-	1
Magnet turnstile-	1
Drink cooler-	1
Oscillating fans-	3
Hat rack-	1
Mannequins-	10
2 tier display stand-	1
3 Tier wire display-	1
Wicker display baskets-	10
Wire display baskets-	10
Wooden display baskets-	3
Metal/wood triangle display-	3
Metal wall hooks-	50
Metal stands/displays-	30
Lasko fan-	1
3 gal. bev. Dispenser-	1
Beer cup boxes-	6
Misc art supplies-	various
Misc office supplies-	various
Misc Halloween decorations-	various
Halloween merchandise-	various
Computer monitor-	1
Misc Christmas decorations-	various
White chairs-	6
Record player-	1
No lid containers-	various
Lid containers-	various
Lawn chairs-	20+
Guitar-	1
Garden supplies-	various
Spin wheel-	1