

**CONTRACT BETWEEN THE NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION AND 210 S. CASTELL, LLC.**

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THE STATE OF TEXAS           §  
  §    KNOW ALL MEN BY THESE PRESENTS  
COUNTY OF COMAL           §

THIS CONTRACTUAL AGREEMENT, is made and entered into by and between the New Braunfels Economic Development Corporation, a Non-Profit Corporation of the State of Texas, hereinafter referred to as "**EDC**", acting by and through its duly authorized officers, and 210 S. Castell, LLC., hereinafter referred to as "**Company**", acting by and through its officers.

W I T N E S S E T H:

WHEREAS, the City of New Braunfels ("City") and EDC desire to enter into an Economic Development Agreement whereby the EDC will provide certain incentives in exchange for the redevelopment of the property at 210 South Castell Avenue ("the Project"), in New Braunfels, Texas; and

WHEREAS, under the authority granted to the EDC by Texas Local Government Code §505.152, EDC recommended this project for approval on September 12, 2024, and the New Braunfels City Council approved it on \_\_\_\_\_, 2024; and

WHEREAS, the incentives are offered by the EDC in consideration of the COMPANY fulfilling performance requirements including, guaranteed minimum taxable value at its New Braunfels location and the construction and maintenance of entertainment, exhibition facilities, and open space improvements within the property boundaries, more fully described and detailed herein, that are accessible to the public; and

WHEREAS, the additional taxable value of real and business personal property will achieve the public purpose of promoting economic development and  
diversity,

increasing employment, reducing unemployment and underemployment, expanding commerce and stimulating business and commercial activity in the State and in New Braunfels, Texas; and

WHEREAS, the public features proposed as part of the Project have been identified in previous planning and public engagement efforts by the City and EDC and help advance the ongoing economic expansion and diversification of New Braunfels and Downtown New Braunfels more specifically; Said terms and conditions are further described below.

AGREEMENT

I. COMPANY'S OBLIGATIONS

- (1) The Company shall make improvements as indicated in Exhibit A by December 31, 2026.
- (2) The Company agrees it shall maintain a minimum taxable assessed values in accordance with the following schedule:

Beginning of Year	Minimum Taxable Assessed Value
2025	\$1,979,460
2026	\$7,500,000
2027 through remaining term of this Agreement	\$13,100,000

- (3) Company agrees that the improvements attached in Exhibit A will remain open to the public a majority of days in each calendar year through the term of this Agreement.
- (4) Company agrees for the term of this Agreement that it shall require via written

lease agreement 1) that all of its commercial tenants operating on the Property must obtain and keep current Sales and Use Tax Permits if required by law; and 2) that all tenants operating on Property must provide its employment and sales tax data to the Company. The data that is collected by Company will be provided to the EDC as requested, reported in aggregate for all tenants on the Property.

- (5) Company agrees to work with EDC to make a good-faith effort to provide occasional conference and work space on Property available for Spark Small Business Center or other entrepreneurship efforts as agreed by the Company and EDC.
- (6) Additional Definitions
  - a) For purposes of this Agreement, “**Affiliate**” means (1) any entity 50% or more owned or controlled by Company, or any of its principal shareholders or any trust created for their benefit, (2) any entity taking over Company’s interest in this Agreement as a result of a merger or consolidation, (3) any entity acquiring all or substantially all of the assets of Company, or (4) any entity which has acquired a majority of the outstanding stock or equity of Company.

## II. INCENTIVES

In consideration of the Company meeting the above outlined performance obligations, EDC shall grant Company the following incentives:

- (1) The EDC shall provide an initial grant not to exceed \$2,000,000.00 (the “**Initial Grant**”) upon the sooner of Company receiving a passing final inspection from the City of New Braunfels for the improvements detailed in Exhibit A or the EDC’s determination that Company has substantially completed the improvements detailed in Exhibit A.
- (2) Upon receipt of sales tax from the Project and continuing annually for the next nine years (ten total payments, excluding the Initial Grant), the EDC shall grant to Company an additional \$250,000 per year upon EDC’s confirmation that Company is in

compliance with the terms of this Agreement.

(3) Under no circumstances will the sum total of grants paid by EDC to Company pursuant to this Agreement exceed \$4.5 million.

### III.

If EDC determines that Company is in violation of any requirement of this Agreement, EDC's obligations under section II of this Agreement are suspended until EDC is satisfied that Company is in compliance with the requirements of this Agreement. If EDC finds that Company has failed to comply with sections IV, V, or VI of this Agreement, EDC must notify Company of the failure and Company shall have 30 days to cure. If Company fails to cure said failure within the 30 days, then this Agreement is subject to immediate termination by the EDC and any grants paid by EDC to Company pursuant to this Agreement are to be returned to EDC within 120 days of EDC's request for repayment.

### IV.

In the performance of this contract, Company shall not discriminate against any person because of the person's race, color, religion, national origin, sex, disability or ancestry. Company further agrees to comply with all applicable federal, state and local laws. Proven breach of this covenant in the form of a final adjudication by a court of competent jurisdiction may be regarded as a material breach of the contract causing its termination.

### V.

Chapter 2264 of the Texas Government Code requires Company to certify that Company will agree not to knowingly employ any undocumented workers during the term of the Agreement. If Company is convicted of a violation under 8 U.S.C. Section 1324a(f), Company shall repay the amount of the financial incentives it has received from EDC with six percent (6%) interest, at the rate and according to the other terms provided by an agreement under Section 2264.053, not later than the 120th day after the date the public agency, state or local taxing jurisdiction, or economic development corporation notifies Company of the violation. If convicted, Company shall repay the amount of all financial

incentives for the year(s) in which the violation occurred.

VI.

- (1) This Agreement cannot be assigned by Company without the prior written consent of the City, which consent may not be unreasonably denied, delayed, conditioned or withheld (it being understood that reasonable reasons for the City to deny such consent include, without limitation, the lack of financial viability of the assignee, the business reputation of the assignee, the assignee's engaging in a type of business that would reflect poorly on the City, the assignee's lack of compliance with City ordinances and laws). Notwithstanding the foregoing, Company may assign this Agreement (in whole or in part), without the prior written consent of the City to any Affiliate of Company (currently existing or later formed), provided that such assignee assumes the obligations and liabilities of Company in writing in a form reasonably approved by the City.
- (2) The Term of this Agreement shall begin upon execution by both parties and shall be terminated ten years from the date of the first annual payment made pursuant to section II (b).

VII.

All communications between EDC and Company shall be addressed to the President of the New Braunfels Economic Development Corporation, c/o City of New Braunfels, 550 Landa Street, New Braunfels, Texas 78130, with a copy being sent to the City Manager at the same address.

Any communication to Company shall be addressed to:

210 S. Castell Ave, LLC  
C/O Managing Member  
130 S. Seguin, Suite 100  
New Braunfels, Texas 78130

With Copies to:

[fred.heimer@sv-re.com](mailto:fred.heimer@sv-re.com)  
Chris.snidermail@gmail.com

#### VIII.

It is understood and agreed that in the event any provision of this contract is inconsistent with requirements of law, the requirements of law will control and the parties shall revert to their respective positions, which would otherwise be enjoyed or occupied by the respective parties for the terms of this contract. In addition, if the Company notifies the EDC that it is unable to satisfy any deadline provided in this Agreement due to adverse economic conditions, the EDC agrees to meet with the Company to better understand the impact of those adverse economic conditions on the Company and consider making good faith adjustments to the terms of this Agreement to address the impacts of such adverse economic conditions upon the Company.

#### IX.

The foregoing instrument in writing between the parties herein, constitutes the entire agreement between the parties, relative to the funds made the basis hereof, and any other written or oral agreement with the EDC being expressly waived by Company.

IN WITNESS WHEREOF, the parties hereto execute this agreement in duplicate originals on this \_\_\_\_ day of \_\_\_\_\_.

NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Kathy Meurin, President

NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION

By: \_\_\_\_\_  
Shane Hines, Secretary

STATE OF TEXAS §

COUNTY OF COMAL §

Before me, \_\_\_\_\_, on this day personally appeared \_\_\_\_\_ known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that \_\_\_\_\_ executed the same as the act of the New Braunfels Economic Development Corporation as its President, for the purposes and consideration therein expressed.

Subscribed and sworn to before me this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public, State of Texas

My commission expires:  
\_\_\_\_\_

STATE OF TEXAS §

COUNTY OF COMAL §

Before me, \_\_\_\_\_, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that \_\_\_\_\_ executed the same as the act of the New Braunfels Economic Development Corporation as its Secretary, for the purposes and consideration therein expressed.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public, State of Texas

My commission expires:  
\_\_\_\_\_



By: \_\_\_\_\_

STATE OF \_\_\_\_\_ §

COUNTY OF \_\_\_\_\_ §

Before me, \_\_\_\_\_, on this day personally appeared \_\_\_\_\_, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that \_\_\_\_\_ executed the same as the act of \_\_\_\_\_. as its \_\_\_\_\_, for the purposes and consideration therein expressed.

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

My commission expires:

\_\_\_\_\_

DRAFT