

CONTRACT BETWEEN THE NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION AND SPARK SMALL BUSINESS CENTER

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 called "EDC", acting by and through its duly authorized officers, and Spark Small Business Center, formerly known as the Center for Entrepreneurship, a Non-Profit Corporation of the State of Texas, hereinafter called "SPARK", acting by and through its officers:

W I T N E S S E T H:

I.

WHEREAS, Texas Local Government Code §501.054 provides the EDC with the powers of non-profit corporations incorporated under the Texas Non-Profit Corporation Act, as amended, and Section Seven of the Bylaws of the EDC allows for the President and Secretary of the EDC to execute any contract which the Board has approved and authorized to be executed; and

II.

WHEREAS, upon the recommendation of the EDC at its meeting on August 18, 2022, and the City Council of New Braunfels, Texas on September 12, 2022 approved the EDC's determination that the following funds be allocated to SPARK to participate in a funding arrangement to continue operation of a Small Business Development Center ("SBDC") satellite center to the University of Texas at San Antonio's SBDC in New Braunfels:

- (1) A grant in an amount up to \$210,000 to SPARK for the costs to continue the operation of a Small Business Development Center satellite office to September 30, 2023;
- (2) The grant funds, or parts thereof, shall be distributed to SPARK within thirty (30) days after receiving a request(s) from SPARK with attached invoice from SPARK for operation of the satellite center;
- (3) SPARK shall at all times comply with the ordinances of City of New Braunfels and the laws of the State of Texas;
- (4) All funds received by SPARK from EDC as herein provided shall be expended solely for the purposes stated herein and as attached as Exhibit A with regard to the costs of establishing and operating the satellite center in New Braunfels. Any proven breach of this covenant shall be cause for immediate termination of the distribution of

funds.

III.

SPARK will provide written quarterly reports due to the NBEDC on or before the last day of October, January, April and July. The reports will deliver information on SPARK's activities as it deems necessary, as well as information about the performance objectives and measurements as further detailed in Appendix A. SPARK shall make at least two presentations annually to the NBEDC board about its fulfillment of the performance measures.

IV.

Any breach of the terms and conditions of this grant by SPARK will result in the repayment of the grant unless EDC and SPARK agree, in writing, to modify the terms of the grant.

V.

In the performance of this contract, SPARK shall not discriminate against any user, performer, or customer of the SPARK because of his/her race, color, religion, national origin, sex, disability or ancestry. Proven breach of this covenant may be regarded as a material breach of the contract causing its termination.

VI.

Employment of Undocumented Workers. During the term of this Agreement, SPARK agrees not to knowingly employ an undocumented worker and if convicted of a violation of 8 U.S.C. Sec. 1324a(f), the SPARK shall repay the amount of the Grant and any other funds received by the SPARK from the EDC as of the date of such violation within sixty (60) days after the date the SPARK is notified by the EDC of such violation, plus interest at the rate periodically announced by the Wall Street Journal as the prime or base commercial rate, or if the Wall Street Journal shall ever cease to exist or cease to announce a prime or base lending rate, then at the annual rate of interest from time to time announced by Citibank, N.A. (or by any other New York money center bank selected by the EDC) as its prime or base commercial lending rate, from the date of such notice until paid.

VII.

All communications between EDC and SPARK 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. Any communication to SPARK shall be addressed to the President, The Spark Small Business Center, 800 W. San Antonio, St. New Braunfels, TX 78130.

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.

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 SPARK.

IN WITNESS WHEREOF, the parties hereto execute this agreement in duplicate originals on this ____ day of _____, 2022.

CITY OF NEW BRAUNFELS ECONOMIC DEVELOPMENT CORPORATION

By: _____
Kathy Meurin, *President*

ATTEST:

Jim Poage, *Corporate Secretary*

APPROVED AS TO FORM:

Valeria Acevedo, *City Attorney*

Spark Small Business Center

By: _____
_____, *President*

ATTEST:

_____, _____

Appendix A

Performance objectives and measurements

Key Measurements:

- Number of business plans created
- New business starts
- Number of jobs created
- Number of jobs retained
- Amount of financing closed