

SAN ANGELO BUSINESS PLAN COMPETITION 20XX
FIRST, SECOND, or THIRD PLACE GRANT AWARD AGREEMENT

This Agreement entered into by and between the CITY OF SAN ANGELO, a Texas home rule municipal corporation and the City of San Angelo Development Corporation (“COSADC”) (collectively “Sponsor”), and **Name of Business** a Texas Corporation company, d/b/a **Name of Business**, hereinafter referred to as **Grantee**, effective on the day of **Month**, Year__ (“Effective Date).

WITNESSETH:

WHEREAS, the City of San Angelo, Economic Development Department, and City of San Angelo Development Corporation (“COSADC”) (collectively “Sponsor”) the “San Angelo Business Plan Competition 20”, coordinated by The Business Factory, Business Incubator, Angelo State University Small Business Development Center (ASU SBDC), and Angelo State University Norris-Vincent College of Business (ASU NV COB), (collectively the “Competition Coordinators”); and,

WHEREAS, Sponsor formed the competition to encourage and support entrepreneurial ventures in the City of San Angelo that increase the number of primary jobs and economic activity in the City and San Angelo community; and,

WHEREAS, Sponsor has conducted the **seventh** annual Business Plan Competition (the “Competition”) in collaboration with the Competition Coordinators, for the promotion of local business initiatives through a competitive selection of businesses worthy for cash grant awards to facilitate business expansion and economic development in the San Angelo community; and

WHEREAS, Grantee has participated in the Competition and is designated the **First, Second or Third** Place Winner of the Competition; and,

WHEREAS, winners are eligible for a cash grant to be distributed in accordance with terms of grant agreements; and Sponsor and Grantee desire to enter into this Grant Award Agreement to delineate the conditions under which all awards of cash and in-kind services shall be disbursed to Grantee as a winner of the Competition.

NOW, THEREFORE, Sponsor and Grantee for and in consideration of the mutual promises contained herein, do hereby contract, covenant, and agree as follows:

ARTICLE I.
GENERAL TERMS

- A. **Term.** The term of this Agreement shall be from the Effective Date set forth hereinabove for three years, to **Month Day, Year**, (“Expiration Date”)
- B. **Contract Documents.** Contract documents included with this Agreement made a part hereof for all purposes and attached hereto are: (1) The San Angelo Business Plan Competition 20 Competition Overview (guidelines) in effect on the Effective Date of this Agreement [The undersigned Grantee acknowledges that he/she has been provided with a copy of said guidelines, has reviewed the same and is familiar with the terms of the guidelines, and accepts the same on behalf of Grantee as additional terms incorporated into this Agreement by reference thereto, binding Grantee]; (2) Designation of In-Kind

Services, **Exhibit “A”**; (3) Grantee’s Final Business Plan, **Exhibit “B”**, and **Exhibit “C”**, Business Plan Competition Check List.

ARTICLE II. SPONSOR’S OBLIGATIONS

A condition precedent to the obligation of Sponsor to pay Grantee any portion of the Grant funds shall be Grantee’s performance of Grantee’s obligations under Article III.

A. **Grant Award.** Subject to the foregoing condition precedent, Sponsor hereby grants to Grantee the sum of **\$ Amount AND NO/100 DOLLARS (\$40,000; \$20,000; or 10,000.00)** cash to be expended by Grantee solely for certain approved business purposes as outlined in the Grantee’s Final Business Plan (**Exhibit B**), which may include the purchase of services, supplies, equipment, and/or durable goods to be used in the operation of the Grantee’s business. All awards are subject to the conditions stated herein.

1. Sponsor shall make payments of the Grant awarded to Grantee only to a business checking account with a commercial bank, established by the Grantee, and designated by the Grantee for such deposit(s).
2. Sponsor may facilitate the provision of donated in-kind services contributions designated as prizes for the Competition winners and described on the list of in-kind services attached to this Agreement as **Exhibit A**. Notwithstanding the foregoing, Grantee hereby acknowledges that Sponsor assumes no responsibility for the provision of in-kind-services that may be offered by third parties to Grantee, or which are referred to in **Exhibit “A”**. Grantee releases Sponsor from any claim or liability, known or unknown, accrued or that may be accrued in the future, relating to the provision of or value of any in-kind services referred to in **Exhibit “A”** or otherwise, for which the Grantee may be eligible as a winner of the Competition, whether or not Grantee ever receives or uses the in-kind services.

ARTICLE III. GRANTEE’S OBLIGATIONS

Grantee shall timely perform each of the following obligations as a performance requirement and condition precedent to the obligations of Sponsor under Article II of this Agreement:

- A. **Use of Grant Funds Distributed.** During the term of this Agreement and prior to the Expiration Date set forth at Article I hereinabove, Grantee will expend all of the proceeds from grant payments received and accept and utilize in-kind awards delivered to Grantee in accordance with and as described in the Grantee’s Business Plan and amendments thereto, a copy of which is attached to this Agreement as **Exhibit “B”**.
- B. **Record of Expenditures.** Prior to the payment or disbursement of any portion of this Grant, Grantee shall provide to Sponsor copies of business records sufficient to verify Grantees’ expenditures, orders, or contractual commitments for supplies, equipment, services, or other provisions necessary to carry out Grantee’s Business Plan, **Exhibit “B”**, to include but not limited to copies of contracts and receipts, sufficient to verify under

generally accepted accounting and audit principals the expenditures claimed. Supporting business records submitted by Grantee must be in a format acceptable to Sponsor in its sole discretion, under the foregoing criteria.

C. **Grantee's Performance Requirements.** During the Term of this Agreement, Grantee shall perform the following responsibilities:

1. Established a company name for the conduct of the business, and establish a legal entity registered with the Texas Secretary of State to conduct the business or register the business name with the Texas Secretary of State.
2. Established a business checking account under the business name with a commercial bank or credit union with offices in and conducting business in Texas.
3. Secure general commercial liability insurance coverage for operation of the business and provide an ACORD certificate of such coverage to Sponsor.
4. Present to Sponsor business records of Grantee establishing Grantee's right to occupy the physical location of the business such as a lease, purchase agreement or property title, and if applicable, record of contract for or completion of any required renovations.
5. Present to Sponsor copies of valid, required professional licenses held by Grantee or Grantee's employees establishing that Grantee or Grantee's employees possess all professional licenses required by law to offer the services proposed by Grantee's Business Plan, **Exhibit "B"**.
6. Establish and maintain during the term of this Agreement a physical business address within the corporate limits of the City of San Angelo or its extra-territorial jurisdiction.
7. Submit a completed IRS Form W-9.
8. Complete the Business Plan Competition Check List attached hereto as **Exhibit "C"** and attach related business records verifying performance of the Grantee Requirements listed.
9. On or before February 1st of each year during the term of this Agreement, Grantee shall provide a copy of the Tom Green County Appraisal District certification indicating there are no business personal or real property taxes due on the site established as Grantee's business address.

D. **Job Creation/Retention Records.** Grantee shall provide business records created and maintained by Grantee under generally accepted accounting and audit principals which verify job creation and retention to the extent that job creation or retention are a part of Grantee's Business Plan, **Exhibit "B"**, for which a grant award is made. The records required may include IRS Form 941, Employers Quarterly Federal Texas Workforce Commission "Employer's Quarterly Report" (FORM C-4 03/06) for all quarters of the reporting period, payroll reports approved by Sponsor, and other business records reasonably required by Sponsor to verify any required job creation or retention for the period from the Effective Date of this Agreement to the Expiration Date.

- E. **Grantee Reports.** Grantee shall submit written reports biannually to Sponsor for three years from and after the Effective Date setting forth in detail the manner in which all grant funds paid to Grantee and in-kind awards delivered to Grantee have been expended or utilized by Grantee; the progress of Grantee's business in general and in comparison to the Business Plan; gross sales for the period reported; gross payroll for the period reported; and, the number and type of jobs created by the Grantee for the period reported. The first biannual report shall be submitted to Sponsor on or before thirty days after the six-month anniversary of the Effective Date of this Agreement, and periodically every six months thereafter for the three-year period.
- F. **Proprietary Information.** In the performance of Grantee's reporting obligations under this Agreement, Grantee shall designate such specific information reported as may be proprietary to Grantee's business, the release of which would give advantage to a competitor. To the extent permitted by law, Sponsor shall take reasonable steps to assure confidentiality of information specifically designated by Grantee as proprietary. NOTWITHSTANDING THE FOREGOING, GRANTEE STIPULATES AND AGREES THAT ALL INFORMATION PROVIDED OR REPORTED BY GRANTEE TO SPONSOR MAY BE SUBJECT TO RELEASE PURSUANT TO PROVISIONS OF THE TEXAS PUBLIC INFORMATION ACT APPLICABLE TO SPONSOR AND COMPETITION COORDINATORS, IS INHERENTLY AT RISK OF AUTHORIZED OR UNAUTHORIZED RELEASE OR DISCOVERY, AND WILL BE PROVIDED TO SPONSORS AND COMPETITION COORDINATORS, AND THEIR BOARD MEMBERS, OFFICERS, EMPLOYEES OR AGENTS FOR BUSINESS PLAN COMPETITION AND COMMUNITY ECONOMIC DEVELOPMENT PURPOSES. GRANTEE HEREBY RELEASES SPONSOR AND COMPETITION COORDINATORS, AND THEIR OFFICERS, BOARD MEMBERS, OFFICIALS, EMPLOYEES AND AGENTS FROM ANY LIABILITY OR CLAIM OF LOSS KNOWN OR UNKNOWN RELATING TO, ARISING OUT OF, OR THAT MAY ARISE OUT OF THE AUTHORIZED OR UNAUTHORIZED RELEASE OF INFORMATION PROVIDED BY GRANTEE IN GRANTEE'S PARTICIPATION IN THE COMPETITION AND/OR PERFORMANCE UNDER THIS GRANT AGREEMENT.
- G. **Grantee Engagements.** Grantee shall make available, upon request of Sponsor, a representative of the Grantee to make oral presentations to the Sponsor board of directors, future Competition participants, and other interested groups regarding Grantee's experience in participating in the Competition and the development and implementation of Grantee's business plan.
- H. **License Agreement.** Grantee grants to Sponsor and Competition Coordinators a non-exclusive license to use Grantee's business name of **Name of Business** (including any trade name or other trademark under which the Grantee conducts or may conduct its business during the term of this Agreement) for the purpose of future marketing of the Business Plan Competition and other general economic development activities and programs of Sponsor and Competition Coordinators.
- I. **Acts Outside of Ordinary Course of Business.** For a period of three years from the Effective Date of this Agreement, Grantee shall not sell or voluntarily transfer any of its assets outside of the ordinary course of its business, nor shall Grantee cause itself to be merged or consolidated with any other entity without the express written consent of Sponsor, which consent shall not be unreasonably withheld on condition that the Assignee

assumes all of the obligations of Grantee under this Agreement by written assignment approved by Grantee.

ARTICLE IV. DEFAULT

- A. **Breach, Termination of Agreement, and Reimbursement of Grant Funds.** In the event that Grantee breaches any of the terms and conditions of this Agreement, then Sponsor shall give Grantee written notice of default. Grantee will have thirty (30) days from the date of said notice of default to: (a) cure the default; or (b) obtain a valid waiver thereof from Sponsor. In the event of default that is not cured or waived, Sponsor may terminate the Agreement without notice or liability to Grantee, and all Project grant monies previously distributed to Grantee by Sponsor will become an obligation of Grantee to Sponsor, due and payable within thirty (30) days of expiration of the above-described cure period. In the event such obligation is not paid by Grantee within the time period provided, the obligation shall accrue interest at the lesser rate of five percent (5%) per annum or the maximum rate allowed by law until paid in full. In addition to the principal, Sponsor shall be entitled to recover its costs of collection, including reasonable attorney's fees.

- B. **Preservation of Remedies.** It is not a waiver of default if a party fails to declare immediately a default or delays in taking any action. Pursuit of any remedy set forth in this Agreement by a party does not preclude pursuit of other remedies under this Agreement or provided by law.

- C. **Contingency Clause and Limitation of Liability.** The funding obligation of Sponsor under this agreement is contingent on the availability of funds and continued authorization for project activities. This agreement is subject to amendment due to lack of funds, reduction of funds and/or change in regulations, upon thirty (30) days' written notice thereof to Grantee. In no event shall the liability of Sponsor under this Agreement exceed the sum of Grant Funds awarded Grantee.

ARTICLE V. SPONSOR'S REPRESENTATIONS AND WARRANTIES

Sponsor makes the following representations and warranties to the Grantee as of the date of this Agreement:

- A. **Legal Capacity.** Sponsor is legally authorized to enter into this Agreement by virtue of its Charter or Articles and by the authority and powers vested in it as a home rule municipal corporation or as a municipal development corporation duly organized under the Texas Development Corporation Act.

- B. **Performance Capacity.** No litigation or governmental proceeding is pending, or, to the knowledge of any of Sponsor's officers, threatened against or affecting Sponsor, which may result in Sponsor's inability to meet its obligations under this Agreement.

**ARTICLE VI.
GRANTEE'S REPRESENTATIONS AND WARRANTIES**

Grantee makes the following representations and warranties to Sponsor as of the Effective Date of this Agreement:

- A. **Legal Capacity.** Grantee is a **Limited Liability** Company, authorized to conduct business in the State of Texas, and is in compliance with all relevant laws of the State of Texas.
- B. **Compliance with Law and Contractual Obligations.** Grantee's participation in this Agreement is not in contravention of any state statute, federal law, or other rule, regulation applicable to Grantee, or contractual obligation of Grantee.
- C. **Performance Capacity.** No litigation or governmental proceeding is pending or threatened to the knowledge of Grantee or any of Grantee's member's officers or managers, which may materially diminish Grantee's capacity to carry out its obligations under this Agreement.
- D. **Accuracy and Completeness of Prior Application.** As of the Effective Date of this Agreement, Grantee warrants that all statements made in the Business Plan are accurate or have heretofore been brought current with supplemental information provided to Sponsor in writing and do not contain any material misstatements or omissions of fact that, when viewed in the light of all information contained in the Business Plan as supplemented, would tend to make the Business Plan or any statement in it or any supplementation thereto misleading. This representation and warranty shall not apply to any forward-looking statements or projections contained in the Business Plan.

**ARTICLE VII.
INSOLVENCY**

The dissolution or termination of Grantee's existence as a going business or concern, Grantee's insolvency, appointment of receiver for Grantee's assets, any assignment of all or substantially all of the assets for the benefit of creditors of Grantee, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantee shall all be deemed events of default. However, in the case of involuntary proceedings, if such proceedings are discharged within sixty (60) days after filing, no event of default shall be deemed to have occurred

**ARTICLE VIII.
GENERAL PROVISIONS**

- A. **Severability.** The provisions of this Agreement are severable, and if for any reason a provision of this Agreement is determined to be invalid by a court or federal or state agency, board or commission having jurisdiction over the subject matter of the invalid provision, the invalidity shall not affect other provisions that can be given effect without the invalid provision.

- B. **Amendment.** This Agreement may be amended only by written amendment signed by each of the parties.
- C. **Assignment.** This Agreement may be assigned by Sponsor without prior notice or consent of Grantee. This Agreement shall be binding upon the parties hereto and their successors and assigns; however, this Agreement may not be assigned by the Grantee without the specific prior written consent of Sponsor.
- D. **Venue.** All payments made pursuant to this Agreement and other obligations to be performed under this Agreement shall be made or performed in Tom Green County, Texas. Venue for the resolution of any dispute between the parties to this Agreement shall lie in Tom Green County, Texas, and this Agreement shall be governed by and construed in accordance with the laws of the State of Texas without respect to the conflict of laws rules thereof.
- E. **Notices.** Any notice required or permitted hereunder shall be in writing and may be delivered in person or shall be deemed delivered, whether actually received or not, when deposited in the United States Mail, postage prepaid, by registered or certified mail, returned receipt requested, addressed to the parties as follows (or to such other address as a party may have specified by notice given to the other party pursuant to this provision):

For Sponsor

City of San Angelo Economic Development Department
Attention: Economic Development Director
69 N. Chadbourne St.
San Angelo, Texas 76903
(325) 653-7197

For Grantee (All contact info below)

Name of Business
dba Name of Business
Name of Winner
Address
City, State, and Zip code
Email address:
Telephone number:

- F. **Survival of Terms.** The provisions of this Agreement, which by their nature extend beyond the expiration or termination of the Agreement, will survive expiration or termination of the Agreement.
- G. **Entire Agreement.** This Agreement constitutes the sole and entire Agreement between the parties hereto relating to the subject matter of the Agreement. No modification or amendment hereto shall be valid unless in writing and executed by properly authorized representatives of the parties hereto.

H. **Warranty of Authority.** Each person executing this Agreement on behalf of a party hereto represents and warrants that he or she is authorized and empowered to do so and to thereby bind the party on whose behalf he or she is signing.

Executed this [] day of [Month], 20[], in duplicate originals.

CITY OF SAN ANGELO DEVELOPMENT CORPORATION

Sponsor:

By: _____
COSA Development Corp., President

ATTEST:

By: _____
Nora Nevarez, Corporate Secretary

Grantee:

By: _____
Name of Winner, Owner, President
Name of Business
Email address

APPROVED AS TO CONTENT

APPROVED AS TO FORM

Guy D. Andrews, Economic Development Director

Brandon Dyson, Deputy City Attorney

Exhibit A.
SAN ANGELO BUSINESS PLAN COMPETITION 20[]

Grant Award Agreement

In-Kind Services

 Place Winner

(Following pages)

Exhibit B.

SAN ANGELO BUSINESS PLAN COMPETITION 20 
Grant Award Agreement

**Grantee's Final Business Plan Submitted for
Enterprise San Angelo Business Plan Competition**

_____ **Place Winner**

(Following pages)

Exhibit C

**Business Plan Competition 20 Checklist
and
Supporting Business Record Documentation**

_____ **Place Winner**

(Following pages)

Business Plan Competition Check List

Grantee's Requirements	Date Received
Established a company name for the conduct of the business, and establish a legal entity registered with the Texas Secretary of State to conduct the business or register the business name with the Texas Secretary of State.	
Established a business checking account under the business name with a commercial bank or credit union with offices in and conducting business in Texas.	
Secure general commercial liability insurance coverage for the operation of the business and provide an ACORD certificate of such coverage to COSADC.	
Present to Sponsor business records of Grantee establishing Grantee's right to occupy the physical location of the business such as a lease, purchase agreement or property title, and if applicable, a record of contract for or completion of any required renovations.	
Provide Sponsor copies of valid, required professional license held by Grantee or Grantee's employees establishing that Grantee or Grantee's employees possess all professional licenses required by law to offer the services proposed by Grantee's Business Plan	
Establish and maintain during the term of this Agreement a physical business address within the corporate limits of the City or its extra-territorial jurisdiction.	
Submit a completed IRS Form W-9.	
On or before February 1 st of each year during the term of this Agreement, Grantee shall provide a copy of the Tom Green County Appraisal District certification indicating there are no business personal or real property taxes due on the site established as Grantee's business address.	