

STATE OF TEXAS §
COUNTY OF WILLIAMSON §
CITY OF TAYLOR §

CITY ECONOMIC DEVELOPMENT GRANT AGREEMENT
PURSUANT TO TEXAS LOCAL GOVERNMENT CODE § 380.001

This Economic Development Grant Agreement ("Agreement") is made by and between the City of Taylor, Texas ("City") and the Temple College at Taylor Foundation, ("Foundation"), acting by and through their respective authorized officers.

WITNESSETH:

WHEREAS, the City is authorized by the Texas Local Government Code §380.001 to provide economic development grants to promote state and local economic development and to stimulate business and commercial activity in the City; and

WHEREAS, higher education facilities promote the public's economic welfare by providing the workforce necessary to secure and retain business enterprises resulting in maintenance of a higher level of employment, economic activity, and stability; and

WHEREAS, the City has adopted programs for promoting economic development; and

WHEREAS, the Foundation is expanding the Temple College at Taylor campus in Taylor, Texas, ("TCAT") and needs financial support for funding for the expansion, equipment and facilities ("Expansion"); and

WHEREAS, The TCAT Foundation will allow the Community College to offer degree programs in the City; and

WHEREAS, The TCAT Expansion will help generate new economic development in the City; and

WHEREAS, the Foundation and the TCAT campus is well established and has made a major impact in the City and the Central Texas area; and

WHEREAS, The Community College is positioned to help provide the educated workforce that will ensure stable economic development in the City and strengthen the economy of the City and the Central Texas area; and

WHEREAS, improving access to a public Community College for citizens in the City will allow citizens to have an opportunity to complete a degree and make a significant contribution to the state and local economy; and

WHEREAS, the presence of a highly-educated workforce in Taylor, Texas, will attract business and industries to locate and expand operations in the City; and

WHEREAS, public higher education is critical to the generation of economic development in the City;

WHEREAS, the City has determined that making an economic development grant to the Foundation in accordance with this Agreement will further the objectives of the City, will benefit the City and the City's inhabitants and will promote state and local economic development and stimulate business and commercial activity in the City;

NOW THEREFORE, in consideration of the foregoing, and other valuable consideration the receipt and sufficiency of which are hereby acknowledged on the terms and conditions hereinafter set forth, the parties agree as follows:

Term

1. The term of this Agreement shall begin on the last date all parties have executed the Agreement (the "Effective Date") and continue until the later of (i) the fifth anniversary date of the Effective Date and (ii) the Foundation's satisfaction of all the terms and conditions of this Agreement (the "Expiration Date").

Economic Development Agreement

2. Subject to the Foundation's continued satisfaction of all the terms and conditions of this Agreement, the City agrees to provide an economic development grant to assist the Foundation with the cost of the renovation of the TCAT building, and provide equipment, facilities and personnel for a nursing program from lawful available funds in the amount of twenty five thousand dollars (\$25,000.00) (the "Grant") payable after the Effective Date in the following manner: The sum of five thousand dollars (\$5,000.00) shall be paid on or before October 15, 2003, and five thousand dollars (\$5000.00) shall be paid annually thereafter on or before the same date until the full amount of the grant is paid in accordance with this Agreement; provided however, that it is understood and agreed that the Foundation shall repay the Grant to the City pursuant to Provision 9 of this Agreement in the event of default by the Foundation.

3. The Grant made hereunder shall be paid solely from lawfully available funds that have been appropriated by the City. Under no circumstances shall City's obligations hereunder be deemed to create any debt within the meaning of any constitutional or statutory provision. Consequently, notwithstanding any other provision of this Agreement, the City shall have no obligation or liability to pay any portion of the Grant unless City appropriates funds to make such payment during the budget year in which the Grant is payable. Further, City shall not be obligated to pay any commercial bank, lender or similar institution for any loan or credit agreement made by the Foundation. None of the City's obligations under this Agreement shall be pledged or otherwise encumbered in favor of any commercial lender and/or similar financial institution.

Conditions to Economic Development Grant

4. The Foundation shall continuously operate the TCAT facility for a period of five (5) years commencing January 1, 2003.
5. The Foundation shall in accordance with applicable statutes and coordinating board rules and regulations use its reasonable best efforts to eventually complete the TCAT Expansion within the City.
6. The Foundation shall, during the term of this Agreement provide a facility and in partnership with a Community College, offer college credit courses, work force training and continuing education classes at the TCAT Campus so that students have the opportunity to transfer smoothly from a two-year Community College and complete a degree in high demand areas, such as nursing, computer science, business administration, criminal justice, information management, occupational training and development, rehabilitation studies, and teacher education.
7. The Foundation shall use the Grant funds only for the limited purposes set forth in Provision 2 of this Agreement.

Termination

8. In the event that the Foundation breaches the conditions of this Agreement, the City shall give the Foundation written notice of such breach, and if the Foundation has not cured the breach within sixty (60) days after receipt of such notice, this Agreement may be terminated by the City by written notice to the Foundation.

Default: Recapture of Grant

9. In the event that the Foundation fails in the performance of any of the following conditions: (i) operation of the TCAT Campus in accordance with this Agreement; or (ii) breaches any of the terms and conditions of this Agreement after expiration of notice and cure periods provided above, shall be in default of this Agreement. In the event of such default, the Foundation shall refund the entire Grant to the City within thirty (30) days after receiving written

notice from the City of such termination. The parties acknowledge that actual damages in the event of default would be speculative and difficult to determine and, therefore, the return of the grant shall be deemed liquidated damages.

No Conflicts of Interest

10. The City represents and warrants that the real property upon which the TCAT Campus is located is not owned by any officer or employee of the City.

Binding Agreement

11. The terms and conditions of this Agreement are binding upon the successors and assigns of all parties hereto. This Agreement may not be assigned without the express written consent of the City.

Limitation on Liability

12. It is understood and agreed between the parties that the Foundation, in satisfying the conditions of this Agreement, has acted independently, and the City assumes no responsibilities or liabilities to third parties in connection with these actions.

13. It is acknowledged and agreed by the parties that the terms hereof are not intended to and shall not be deemed to create a partnership or joint venture among the parties. The City, past, present and future officers, elected officials, employees and agents of the City do not assume any responsibilities to any third party in connection with the TCAT Expansion.

Authorization

14. This Agreement was authorized by City Council authorizing the undersigned to execute this Agreement on behalf of the City.

15. This Agreement was authorized by Temple College at Taylor Foundation Board authorizing the undersigned to execute this Agreement on behalf of the Foundation.

Notice

16. Any notice required or permitted to be delivered hereunder shall be deemed received when sent by United States Mail, postage prepaid, certified mail, return receipt requested, or by hand delivery or facsimile transmission, addressed to the respective party at the address set forth below:

If intended for the City:

City of Taylor
Attention: City Manager
400 Porter St.
Taylor, Texas 76574

If intended for the Foundation:

Temple College at Taylor
Attention: TCAT Board President
516 N. Main Street
Taylor, TX 7657

Entire Agreement

17. This Agreement is the entire Agreement between the parties with respect to the subject matter covered in this Agreement. There is no other collateral oral or written agreement between the parties that in any manner relates to the subject matter of this Agreement, except as provided in any Exhibits attached hereto.

Governing Law

18. The Agreement shall be governed by the laws of the State of Texas and venue for any action concerning this Agreement shall be in the State District Court of Williamson County, Texas.

Amendment

19. This Agreement may be amended by the mutual written agreement of the parties.

Legal Construction

20. In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

Recitals

21. The recitals to this Agreement are incorporated herein.

Counterparts

22. This Agreement may be executed in counterparts. Each of the counterparts shall be deemed an original instrument, but all of the counterparts shall constitute one and the same instrument.

EXECUTED on this _____ day of _____, 2003.

CITY OF TAYLOR, TEXAS

By: _____
Frank Salvato, City Manager

ATTEST:

By: _____
Barbara S. Belz, City Clerk

APPROVED AS TO FORM:

By: _____
Ted W. Hejl, City Attorney

EXECUTED on this 18th day of June, 2003.

TEMPLE COLLEGE AT TAYLOR
FOUNDATION

By: John B Nelson

CITY'S ACKNOWLEDGMENT

STATE OF TEXAS §
COUNTY OF WILLIAMSON §
CITY OF TAYLOR §

This instrument was acknowledged before me on this _____ day of _____, 2003, by Frank Salvato, being City Manager of the City of Taylor, Texas, a Texas municipality, on behalf of said municipality.

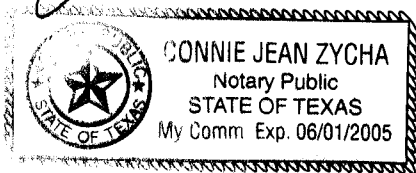
Seal

Notary Public, State of Texas

FOUNDATION'S ACKNOWLEDGMENT

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This instrument was acknowledged before me on this 18 day of June, 2003, by John B. Nelson, _____ for Temple College at Taylor Foundation.



Seal

Connie Zycha
Notary Public, State of Texas