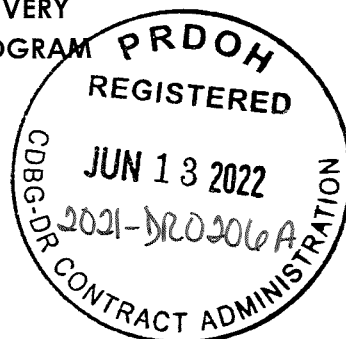




**COMMUNITY DEVELOPMENT BLOCK GRANT – DISASTER RECOVERY
SMALL BUSINESS INCUBATORS AND ACCELERATORS (SBIA) PROGRAM**

**AMENDMENT A to the
SUBRECIPIENT AGREEMENT
BETWEEN THE
PUERTO RICO DEPARTMENT OF HOUSING
AND
LOTE 23, LLC**



THIS AMENDMENT A to the SUBRECIPIENT AGREEMENT, (hereinafter referred to as the "Amendment A") is entered into in San Juan, Puerto Rico, this 10 of June, 2022, by and between the **PUERTO RICO DEPARTMENT OF HOUSING** (hereinafter, "PRDOH"), a public agency created under Law No. 97 of June 10, 1972, as amended, 3 L.P.R.A. § 441 et seq., known as the Department of Housing Governing Act with principal offices at 606 Barbosa Avenue, San Juan, Puerto Rico, herein represented by William O. Rodríguez Rodríguez, attorney, of legal age, single, and resident of San Juan, Puerto Rico, in his capacity as Secretary; and **LOTE 23, LLC** (hereinafter, the "**Subrecipient**"), nonprofit corporation, with principal offices at 1552 Ave. Ponce de León, San Juan, Puerto Rico, herein represented by its Executive Director, Cristina Sumaza, of legal age, married, and resident of San Juan, Puerto Rico, collectively, the "parties".

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I. RECITALS AND GENERAL AWARD INFORMATION

WHEREAS, on May 14, 2021, the Parties entered into a Subrecipient Agreement for the Small Business Incubators and Accelerators Program ("SBIA" or "the Program") for a period of **forty-eight (48) months** from the day of its execution, ending on May 13, 2025, for **TWO MILLION THREE HUNDRED FIFTY-THREE THOUSAND NINE HUNDRED EIGHTY-THREE DOLLARS AND THIRTY-SEVEN CENTS (\$2,353,983.37)**, registered as Contract Number 2021-DR0206.

WHEREAS, as per Article IX (A) of the AGREEMENT, the AGREEMENT may be amended in writing and signed by a duly authorized representative of each party. Nonetheless, the amendment shall not invalidate the AGREEMENT, nor release the Parties from their obligations under the AGREEMENT.

WHEREAS, the Parties acknowledge and agree that this AMENDMENT A is not intended to affect nor does it constitute an extinctive novation of the obligations of the Parties under the AGREEMENT.

WHEREAS, the PRDOH has the legal power and authority, in accordance with its enabling statute, the Organic Act, the federal laws and regulations creating and allocating funds to the CDBG-DR program and the current Action Plan, to issue and award the subaward, enter and perform under this AMENDMENT A.

WHEREAS, the SUBRECIPIENT has duly adopted the Resolution dated April 16, 2021, authorizing Lote 23, LLC (via its Authorized Representative, Cristina Sumaza) to enter into this AMENDMENT A with the PRDOH, and by signing this AMENDMENT A, the SUBRECIPIENT assures PRDOH that the SUBRECIPIENT shall comply with all the requirements described herein.

NOW THEREFORE, in consideration of the mutual promises and the terms and conditions set forth herein, the PRDOH and the SUBRECIPIENT agree to execute this AMENDMENT A subject to the following:

TERMS AND CONDITIONS

II. ATTACHMENTS

The information included in this AMENDMENT A serves the purpose of modifying and amending **Exhibit C (Key Personnel)**, **Exhibit D (Budget)** of the AGREEMENT. The modified or updated versions of the aforementioned exhibits are incorporated by reference into the AGREEMENT via this AMENDMENT A. All provisions of the original AGREEMENT shall continue to be in full force and effect, as amended by this AMENDMENT A.

III. SCOPE OF THE AMENDMENT

Exhibit D (Budget) will be amended to change the column B header to read "Estimated Hours per Month per Resource"; add a new column named "Months Needed", Column C header to read "Estimated Hourly Rate", Column D to read "Estimated Monthly Cost", A new column is being added and named "Maximum Cost for the Program". Additionally, the staffing positions "Park Operations Manager", "Maintenance" and "Accounting Clerk" are being eliminated. The "Executive Assistant" and "Procurement and Accounting Clerk" positions are being added. A Professional Services section is being included to add the "Audit Services" and the "Marketing and Advertising Services". In the Other Operating Section, the "Maintenance" cost has been eliminated and the costs for "Rent" and "Insurance" have been added. A Section for Equipment has been included with an item for "Office Equipment". A section for Construction has been added in the budget detail to include the items "Asset Acquisition" and "Construction". As a result, **Exhibit C (Key Personnel)** and **Exhibit D (Budget)** are being replaced. The total authorized budget included in the Agreement remains the same.

IV. AMENDMENTS

A. The Parties agree to replace **Exhibit C (Key Personnel)** to eliminate "Park Operations Manager", "Maintenance" and "Accounting Clerk" and add "Executive Assistant" and "Procurement and Accounting Clerk" with their specific roles and responsibilities. A Professional Services section is being included to add the "Audit Services" and the "Marketing and Advertising Services". (**See Attachment 1**)

B. The Parties agree to replace **Exhibit D (Budget)** to modify certain sections and redistribute the budget. The total authorized budget included in the AGREEMENT remains the same. (**See Attachment 2**)

C. Starting on April 4, 2022, the Federal Government permanently discontinued the use of the DUNS Number as the primary means of identity identification for Federal awards government-wide and replaced it with the Unique Entity Identifier (UEI). Accordingly, the Parties agree to replace the SUBRECIPIENT's DUNS Numbers with the following Unique Entity Identifier:

Lot 23, LLC
Unique Entity ID: SA6DE25YX2Y4

D. The Parties agree to include PRDOH's Unique Entity Identifier as part of the AGREEMENT, as amended:

PRDOH
Unique Entity ID: FFNMUBT6WCM1

V. SEVERABILITY

If any provision of this AMENDMENT A is held invalid, the remainder of the AMENDMENT A shall not be affected thereby, and all other parts of this AMENDMENT A shall nevertheless be in full force and effect.

VI. SECTION HEADINGS AND SUBHEADINGS

The section headings and subheadings contained in this AMENDMENT A are included for convenience only and shall not limit or otherwise affect the terms of the AGREEMENT, and shall not be used to explain, modify, simplify, or aid in the interpretation of the provisions of this AMENDMENT A.

VII. COMPTROLLER REGISTRY

The PRDOH shall remit a copy of this AMENDMENT A to the Office of the Comptroller for registration within **fifteen (15) days** following the date of execution of this AMENDMENT A and any subsequent amendment hereto. The services object of this AMENDMENT A may not be invoiced or paid until this AMENDMENT A has been registered by the PRDOH at the Comptroller's Office, pursuant to Act No. 18 of October 30, 1975, as amended by Act No. 127 of May 31, 2004.

VIII. ENTIRE AGREEMENT

The AGREEMENT, as amended, constitutes the entire agreement among the Parties for the use of funds received under the AGREEMENT, as amended, and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written among the Parties with respect to the AGREEMENT, as amended.

IX. FEDERAL FUNDING

The fulfillment of the AGREEMENT, as amended, is based on those funds being made available to the PRDOH as the lead administrative agency for Recovery. All expenditures under the AGREEMENT, as amended, must be made in accordance with the AGREEMENT, as amended, the policies and procedures promulgated under the CDBG-DR Program, and any other applicable laws. Further, the SUBRECIPIENT acknowledges that all funds are subject to recapture and repayment for non-compliance.

IN WITNESS THEREOF, the Parties hereto execute this AMENDMENT A in the place and on the date first above written.

**PUERTO RICO DEPARTMENT OF
HOUSING
CDBG-DR Grantee**

SUBRECIPIENT

William O Rodriguez Rodriguez
William O Rodriguez Rodriguez (Jun 10, 2022 15:55 EDT)
William O. Rodríguez Rodríguez, Esq.
Secretary

Cristina Sumaza
Cristina Sumaza (Jun 9, 2022 17:01 EDT)
Cristina Sumaza
Executive Director

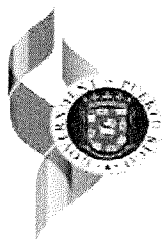


EXHIBIT C

KEY PERSONNEL

SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM

LOTE 23 LLC

Below is the Staffing Plan for the CDBG-DR **Small Business Incubators and Accelerators** Program which reflects a combination existing employees or new hired employees dedicated for the CDBG-DR **Small Business Incubators and Accelerators** Program.

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I. Roles

Roles	FE Count
Managing Director	1
Chief Financial Officer	1
Incubator Operations Manager	1
Executive Assistant	1
Procurement & Accounting Clerk	2
Incubator Operations Coordinator	1

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II. Roles Description:

Role	Description
Managing Director	Manage nonprofit overall operations, supervise incubator operations and ensure general compliance with grant financial requirements. Manage board, donor relations, and fundraising efforts.
Chief Financial Officer	Focus on ensuring internal financial controls are being met. In addition, this role will manage compliance reporting for grants received, as well as financial reporting for the Board of Directors and donors. This will allow effective reporting to establish credibility and reputation for sustainability efforts.

Role	Description
Incubator Operations Manager	Focus on managing the curriculum and daily operations of the program. This role will focus on relationship management with mentors and participants, implementation of confirmed courses and sessions, and ensure the effective completion of tracking tools and procedures.
Procurement & Accounting Clerk	Ensure all procurement procedures are met across all functions and departments. Ensure compliance with CDBG regulations are met. Prepare all invoicing, payments to suppliers and reports. Comply with federal and local requirements and assist with financial grant and funding reporting.
Executive Assistant	Assist Managing Director in all functions and serve as liaison with all team members to be more agile in responding to needs from the different departments.
Incubator Operations Coordinator	Focus on providing support to the management of the curriculum and daily operations of the program. This role will support relationship management with mentors and participants, implementation of confirmed courses and sessions, and ensure the effective completion of tracking tools and procedures.


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III. Notes:

Professional Services

END OF DOCUMENT



EXHIBIT D – SECTION 1


BUDGET

SMALL BUSINESS INCUBATORS AND ACCELERATORS PROGRAM

LOTE 23 LLC

DESCRIPTION OF SERVICES


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We provide a platform for chefs, food entrepreneurs and producers to develop, test, and prove their concepts within the community. Our goal is to allow participants to work with the community to gather feedback, transform their ideas, and in turn, strengthen themselves.


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Our incubation program focuses on supporting individuals with experience in the food industry that have high-value concepts or products. By high value we mean – great taste, great price, and a great experience. By providing participants a solid business acumen and a physical space to validate their products, we help them effectively go through the first phase of launching a business with the necessary resources to have higher chances of success.

The incubator targets individuals that in addition to having experience in the food industry, have a product or concept already in the market, or have a concept designed and want to launch it during their time in the incubator program. In both cases, past experiences of founders will be important and taken into consideration.

Working with many individuals in the food industry, we have seen great talent and products, but they often do not have business acumen. Most of them are not effectively managing finances, building teams, delegating important tasks to experts, and focusing on the vision of where they want to take their businesses, which is why we focus our incubation program on two (2) areas: business acumen and leadership development.

- Provide access to hands-on educational training, mentors, coaching and access to resources that will help participants effectively develop their business model.
- Provide a physical space for classes, mentor meetings, and office space for participants to do office work and a fully equipped commissary kitchen, that lowers upfront costs of opening a food business.
- Provide ongoing coaching to ensure participants stay on track and amplify their business growth during their time in the program. An emphasis will be given on the

following curriculum during incubation phase (this may be subject to changes and revision based on participant's needs):

The staff will support the outreach, recruitment, implementation and compliance of the Small Business Incubator and Accelerator Program. Positions will include the tasks of directing and managing the program, the management and maintenance of the food park as a sales validation platform, outreach and operational coordination, and the financial and accounting management.

STAFFING

Position	Qty. of Resources [A]	Estimated Hours per month per Resource [B]	Months Needed [C]	Estimated Hourly Rate [D]	Estimated Monthly Cost [E=AxBxD]	Maximum Cost for the Program [F=CxE]
Managing Director	1	160	42	\$54.00	\$ 8,640.00	\$ 362,880.00
Executive Assistant	1	160	41	\$20.62	\$ 3,300.00	\$ 135,300.00
Chief Financial Officer	1	160	42	\$45.00	\$ 7,200.00	\$ 302,400.00
Incubator Operations Manager	1	160	41	\$32.00	\$ 5,120.00	\$ 209,920.00
Procurement & Accounting Clerk	2	80	41	\$19.00	\$ 3,040.00	\$ 124,640.00
Incubator Operations Coordinator	1	160	10	\$23.00	\$ 3,680.00	\$ 36,800.00
Total Estimated Monthly Cost:					\$ 30,980.00	
Total Maximum Cost for 5 Years (60 Months):						\$ 1,171,940.00

***Estimate amount in rate, hours, and monthly cost, could vary based on actual need and work performed on the program**

The professional services below are fundamental to effectively manage the program outreach and promotion efforts, as well as ensuring that compliance requirements are being met across the board. Hiring marketing, graphic design, public relations, and advertising efforts to support the incubator program in having an integrated approach to the incubator's brand, messaging, and promotion efforts. This will help us ensure we target the right audience of candidates to apply to the program. The audit services are an essential part of our operation to be in compliance with all the necessary financial and administrative requirements the nonprofit entity has.

PROFESSIONAL SERVICES

Services Name	Services Description	Budget
Audit Services	Annual external audit services, financial statements, and annual forms of the program.	\$ 3,500.00
Marketing & Advertising Services	Marketing, graphic design, public relations, and advertising efforts for promoting the incubator program.	\$ 22,500.00
Total Services to be Contracted:		\$ 26,000.00

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The operational costs of the food park are a big part of maintaining the physical sales platform for participants to validate their products, therefore the costs below are a critical part of our budget.

OTHER OPERATING

Item Name	Item Description	Budget
Utilities	Cost associated to electricity for the facilities of the program.	\$ 75,000.00
Rent	Rent related to execute the program.	\$ 72,250.00
Software	Information systems such as platform domains and other software for the program.	\$ 2,849.00
Insurance	Property Insurance, contingency, Directors and Officers, total insurance in general required to operate for the program.	\$ 30,000.00
Total Budget for Other Operating:		\$ 180,099.00

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Office equipment such as laptops, desktops and monitors are important for the employees and facilities that will be serving the incubator program and its participants on a daily basis.

EQUIPMENT

Item Name	Item Description	Budget
Office Equipment	Office equipment for the program such as but not limited to laptops, desktops, and monitors.	\$ 3,833.37
Total Budget for Equipment:		\$ 3,833.37

The asset acquisition and rehab of the facilities is needed for the physical platform to be in an optimal state to operate. The asset acquisition will provide participants with a real time sales platform that will help them validate the strategies learned during the program. The construction will provide an office space as well as an individual kiosk to each participant of the program.

CONSTRUCTION

Item Name	Item Description	Budget
Asset Acquisition	Asset acquisition for the program.	\$ 484,758.00
Construction	Cost related to construction, architecture, management, contingencies, and design for the program.	\$ 487,353.00
Total Expenses Budget:		\$ 972,111.00

PROJECT		
Construction & Rehabilitation Cost	Acquisition of property and construction cost.	\$ 972,111.00
TOTAL COSTS		\$ 972,111.00

PROJECT ACTIVITY DELIVERY COSTS		
Staffing	Payroll costs for personnel working for the program.	\$ 1,171,940.00
Professional Services	Audit and marketing services required for the program.	\$ 26,000.00
Other Operating	Cost to run the program such as utilities and rent.	\$ 180,099.00
Equipment	Required office equipment for the program.	\$ 3,833.37
TOTAL COSTS		\$ 1,381,872.37
GRAND TOTAL		\$ 2,353,983.37

Budget Re-distribution

- a) The Subrecipient may request in writing to the PRDOH a re-distribution of the Maximum Authorized Budgets shown above without exceeding the Total Authorized Budget.
- b) The PRDOH will evaluate the re-distribution request to validate purpose and balance of funds, and if determined the re-distribution is in benefit for the Program and the balance of funds is validated, the PRDOH will provide written authorization to the Subrecipient. Until the written authorization is submitted by the PRDOH, the re-distribution cannot be considered as authorized.
- c) This re-distribution of funds as described here shall be considered binding and will not require an amendment to this SRA.

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AMENDMENT A SBIA LOTE 23 LLC rev

Final Audit Report

2022-06-10

Created:	2022-06-09
By:	Radames Comas Segarra (rcomas@vivienda.pr.gov)
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