



ECONOMIC DEVELOPMENT
GROWTH ENGINE
FOR MEMPHIS & SHELBY COUNTY

EDGE NEED GRANT AGREEMENT

Grant from EDGE to Touchstone Enterprises, LLC dba Pop-A-Roos ("Grantee") in the amount of \$6,000 ("Grant") from June 26, 2020 ("Effective Date") through July 31, 2023 (the "Effective Period").

This Grant Agreement ("Agreement") is entered into as of the Effective Date by and between the Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee ("EDGE") and Grantee, with respect to the following:

PRELIMINARY STATEMENTS

A. EDGE has made available funding for economic development initiatives in response to the COVID-19 pandemic that impose significant financial hardships on the city of Memphis and especially in the areas containing property that qualify as Federal New Markets Tax Credit Eligible Tracts.

B. Grantee is a small business (defined as having less than **\$1,000,000.00** in annual gross revenue) that has suffered at least a 25% reduction in gross revenue due to the COVID-19 pandemic,

c. EDGE has determined that the Grant to Grantee, for the purposes and on the terms and conditions stated below in this Agreement, will further EDGE's economic development purposes by funding the activities described in the Grantee's grant application and evaluation memo presented to the Economic Development Finance Committee attached and incorporated as Attachment A.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual obligations created hereby, EDGE and Grantee agree as follows:

1. Grant Amount, Disbursement and Time Period, Upon Grantee's execution and delivery of this Agreement to EDGE, EDGE shall disburse the Grant to Grantee in the form of a check or wire transfer. The effective period for this grant is for the Effective Period.

2. Purpose and Specific Uses of Grant. EDGE is making this grant in furtherance of the economic development initiative set forth in Attachment A. Any changes in the purposes or use for which grant funds are spent must be approved in writing by EDGE before implementation.

3. Reporting by Grantee. Starting December 31, 2020 from the Effective Date, and continuing on each June 30 and December 31 until thirty-six (36) months after the grant funds are expended in full or the grant is otherwise terminated, Grantee shall submit a full and complete report

to EDGE within five (5) days after the close of such period. The report shall be in the form attached hereto as Attachment B.

Such report shall describe the progress that Grantee has made toward achieving the purposes for which this grant was made both for the period and over the term of the grant, including: all expenditures made from the granted funds and the associated matching funds; grant-related activities; metrics achieved as outlined in the grant application (e.g., retained jobs, salaries, and capital investments); and shall report on the Grantee's compliance with the terms of this grant during that fiscal year. Each such report shall be signed and certified by an authorized officer or director.

4. Recordkeeping and Accounting. Grantee shall keep records and receipts to substantiate such expenditures as well as expenditures made with maturing funds. Grantee shall make such books and records available to EDGE at reasonable times, as requested by EDGE. Grantee shall keep copies of all books and records and all reports to EDGE for at least four years after completion of the use of the grant funds. EDGE is hereby authorized to conduct an audit of Grantee's books and records, and Grantee shall cooperate fully with any such audit authorized or conducted by EDGE.

5. Prohibited Uses. Grantee shall not use any portion of the funds granted herein, or any income therefrom:

a. To undertake any of the following activities:

- o Liquor and tobacco stores
- o Adult entertainment and product stores
- o Pawnshop, Payday loans, Title loan establishments
- o Car dealerships
- o Ministorage
- o Gas Stations
- o Financial businesses primarily engaged in lending
- o Real estate development or rental businesses
- o Insurance companies
- o Private clubs
- o Non-profit agencies
- o Home-based businesses
- o Others at the discretion of the Economic Development Finance Committee

b. To violate any state, federal or local law or regulation.

6. Notice of Changes. Grantee shall notify EDGE immediately of any change in Grantee's status, personnel, or finding that may impair the ability of the Grantee to fulfill its obligations under this Agreement.

7. Indemnification. Grantee hereby irrevocably and unconditionally agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless EDGE, its officers, directors, employees, and agents, from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or

omission of Grantee, its directors, officers, employees, or agents, in applying for or accepting the grant, in expending or applying the funds furnished pursuant to the grant or in carrying out the program or project to be funded or financed by the grant, except to the extent that such claims, liabilities, losses, or expenses arise from or in connection with any act or omission of EDGE, its officers, directors, employees or agents.

8. Remedies. In the event that Grantee violates or fails to carry out any provision of this Agreement, EDGE may, in addition to any other legal remedies it may have, refuse to make any further grant payments to Grantee, and EDGE may demand the return of all or part of the unexpended grant funds, which the Grantee shall immediately repay to EDGE.

9. Governing Law. This Agreement shall be construed in accordance with, and governed by, the laws of Tennessee. Any action brought to enforce the terms of this Agreement shall be brought in the appropriate state court located in Shelby County, Tennessee. EDGE shall be awarded its attorneys fees and expenses for this Agreement.

10. Entire Agreement; Amendments and Waivers. This Agreement shall supersede any prior oral or written understandings or communications between the parties hereto and constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by both parties hereto.

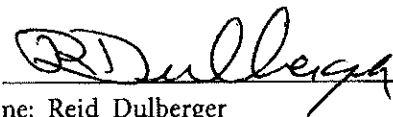
11. Counterparts. This Agreement may be signed in counterparts, meaning that the Agreement is valid if signed by both parties, even if the signatures of the parties appear on separate copies of the same Agreement rather than on a single document.

IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be executed on the dates set forth below.

Industrial Development Board of the City of Memphis and County of Shelby, Tennessee

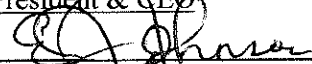
Date: 6/26/2020

Date: 6/29/2020



By: ne: Reid Dulberger

Name: Reid Dulberger
Title: President & CEO

By: 

Name: Ephie Johnson
Title: Owner

Economic
Development
Growth Engine

Attachment A

Grant Application

EDGE NEED Grant Evaluation Memo to Economic Development Finance Committee

	EDGE Policy Requirement	Applicant
Business:		Touchstone Enterprises LLC dba Pop-Aroos Gourmet PO corn Shoppe
Location:		726 N Parkway, Ste 2
Owner:		Ephie Johnson
MWBE:		Yes Certified
Staff Recommendation:		\$6,000
Business Type:	Retail and commercial uses are eligible with exceptions.	Specialty Shoppe & Catering
Closed or Operational:	Businesses that remain open may qualify for up to \$10,000. Businesses that are temporarily closed may qualify for \$5,000.	Operational
Revenue Loss:	25% or more reduction in revenue.	February 2020 \$1 5,221 May 2020 \$2,687 Reduction
Open and Close Dates:	Locally owned and in operation prior to March 1, 2019 and through March 1, 2020.	Opened 2018
NMTC Eligible:	Located in Memphis NM TC Qualified Census Tract.	Yes
Annual Revenue:	Annual revenue less than \$1	Yes \$48,125
Tax Payments:	Current on Memphis and Shelby County property taxes.	Memphis Yes Shelby County
ICED Loan Recipient:	EDGE will give preference to and waive the requirement that businesses be operational for at least one year for ICED Loan recipients.	No
Business Planning Assistance:	Registered for TSBDC advising, received an initial assessment, and scheduled follow-up counselling session.	Registered Yes Counseling Yes Follow-Up Yes
COVID-19 Business Impact:	Applicant must describe the impact of COVID-19 on business.	-Physical locations closed leaving the business with catering/special orders only -Laid off 8 employees -Multiple supplier and vendor interruptions
Stabilization and Recovery Plan:	Applications will be evaluated on stabilization and recovery plan, the probability that they can survive, and estimated community impact.	—Established payment plans with vendors/suppliers -Implementing changes to business operations to meet CDC recommendations -Received 12,571 through SBA PPP -Grant funds to be used to bring rent and utilities current and purchase supplies needed for recovery of the business.

Attachments:	EDGE Need Grant Application 90-Day Budget Last Filed Federal Tax Return	Attached Attached Reviewed Separately/No Concerns
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Business Information

Please fill out your information on the lines below.

Business Name Touchstone Enterprises ^{LLC} DBA Pop-a-roos Gourmet Popcorn Shoppe

Business Address 726 North Parkway Suite 2, Memphis, TN 38105

Business Telephone 901-826-3376

Type of Business Retail Sales + Catering

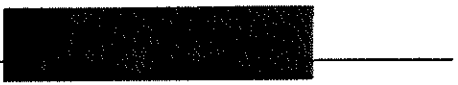
Description Gourmet Popcorn

Business Structure (Sole Proprietor, LLC, C-Corp, Partnership, S-Corp) LLC

Business Opened - Oct. 2014
Year Incorporated 2019

Date opened at current location 2-1-19

Federal Employer Identification Number (EIN) or Social Security Number if Sole Proprietor



Minority or Woman-Owned Firm. Yes No If yes, certified?

By which certifying entity? _____ If yes, certified?

Yes No

Number of full and part-time employees as of 2/1/2020 and their weekly total wages (include the owner(s) if paid by the business). 10

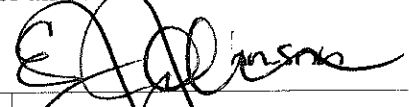
Describe employee benefits, if any (e.g., medical insurance, dental or vision insurance, retirement plan, etc.) both e

Have you registered for advising with TSBDC? Yes No

Have you received an initial TSBDC assessment? Yes No

Have you scheduled a follow-up counseling session with TSBDC? Yes No

Owner Information (for all owners of more than 20% of business)

Owner's Name(s)  00

Ephie Johnson

Home Address Coubo¥ ¥102

Home Telephone 901-826-3376

Email ephiej@gmail.com

Owner's Name(s) _____

Home Address _____

Home Telephone _____

Email _____

Owner's Name(s) _____

Home Address _____

Home Telephone _____

Email _____

Owner's Name(s) _____

Home Address _____

Home Telephone _____

Email _____

- Customer interruptions
- the majority of our customers come from the business and services within the building(s) we run our business and when those businesses responded to the "stay at home" mandate, our services were not needed . Our catering division suffered significantly as well, due to events, weddings, etc. coming to a halt throughout the city.
- Ability to satisfy debts and obligations- Poparoos has had challenges in paying its lease and utilities, primarily . The secondary obligations are monthly maintenance fees for our machines and other monthly services including insurances, etc. that have continued.

Stabilization and Recovery Plan

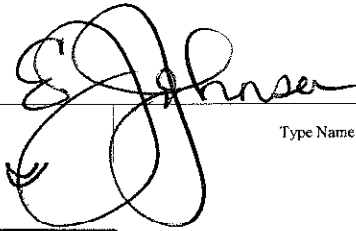
In one page or less describe steps to be taken to survive and recover from COVID-19 slow-down or interruption including but not limited to:

- Addressing customer interruptions and rebuilding sales, including marketing plans .
 - Addressing supplier interruptions
 - Satisfying any outstanding financial claims, including vendors, bank/other debt, taxes, utility charges, etc.
 - Any changes to the way the business operates
 - Number and type of employees needed during application period • Key budget items
 - How the EDGE NEED Grant funds will be used
 - Other funds to be used for the survival and recovery of the business
- Poparoos plans to recover our customers by utilizing our social media services through Square and Facebook.
- Addressing supplier interruptions: - we have already begun to interact with suppliers and have adjusted orders and delivery/pickup schedules to accommodate our projected time frame to rebuild (over the next 90 days).
 - Satisfying any outstanding financial claims, including vendors, bank/other debt, taxes, utility charges, etc. Currently, the owner is paying "out of pocket" all debt and charges. In some cases, the owner has made payment agreements to personally pay certain debts, i.e., building lease(s) .
 - Any changes to the way the business operates:
 - Poparoos will discontinue samples directly from the container and will provide prepackaged samples only.
 - Poparoos will continue pick-up, curbside service at our catering location on North Parkway.
 - Whenever possible , we will continue to encourage "text to order " for all popcorn orders to reduce time in line at our Crosstown location .
 - Number and type of employees needed during application period:
 - 2 cooks: makes and packages popcorn
 - 4 pop-a-ristas: these employees sell popcorn/products, package popcorn and clean.

By signing below, I hereby grant on behalf of my staff, my employees and my company to EDGE, its directors, officers, employees, agents, and designees (collectively "EDGE Parties") nonrevocable permission to capture my image and likeness in photographs, videotapes, motion pictures, recordings, or any other media (collectively "Images"). I acknowledge that EDGE will own such Images and further grant EDGE permission to copyright, display, publish, distribute, use, modify, print and reprint such Images in any manner whatsoever related to EDGE business, including without limitation, publications, advertisements, brochures, web site images, or other electronic displays and transmission thereof. I further waive any right to inspect or approve the use of the Image by EDGE prior to its use. I forever release and hold EDGE and the EDGE Parties harmless from any and all liability arising out of the use of the Images in any manner or media whatsoever, and waive any and all claims and causes of action relating to use of the Images, including without limitation, claims for invasion of privacy rights or publicity.

The undersigned hereby certifies that all information contained above and all information contained in attachments which make up this grant application are true to her/his best knowledge and belief, and are submitted for the purpose of obtaining financial assistance from the Economic Development Growth Engine for Memphis and Shelby County.

Applicant Signature: _____



Type Name Above

Date: 5-26-20

Pop-a-Roos Monthly Budget

Rent each location:

\$400

\$780

\$2600

Marketing:

Square and FB -\$70.00

Utilities: \$250

Payroll:

Bi-monthly average 1- \$3,500

2- \$3,500

Inventory:

Cheese - \$300

Popcorn seed - \$232

Are you working with Tennessee Small Business Development Center (TSBDC) or other acceptable agency?

yes, I am receiving coaching service

Signature:

[Handwritten Signature]

To the best of my knowledge and belief, I certify the following:

That the information and attachments provided are true and accurate, and except as noted on the previous page(s) or other attachments to this document, Touchstone Enterprise LLC has complied with all major criteria/components related to the EDGE NEED Grant.

[Handwritten Signature]

Signature

Ephie Johnson

Name

Owner

Title

Date: 6/30/2020

(901) 826-3376

Phone

ephiej@gmail.com

Email

Please submit completed and signed materials electronically to:

PILOTCompliance@Growth-Engine.org

For assistance call: 901.341.2103

Thank you for
your much needed
Support
Gratefully,
Ephie

SAMPLE FOR DEMONSTRATION PURPOSES ONLY