



**ECONOMIC DEVELOPMENT
GROWTH ENGINE**
FOR MEMPHIS & SHELBY COUNTY

EDGE NEED GRANT AGREEMENT

Grant from EDGE to Hi Tone (“Grantee”) in the amount of \$5,000 (“Grant”) from January 11, 2021 (“Effective Date”) through January 31, 2024 (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:

- Liquor and tobacco stores
- Adult entertainment and product stores
- Pawnshop, Payday loans, Title loan establishments
- Car dealerships
- Ministorage
- Gas Stations
- Financial businesses primarily engaged in lending
- Real estate development or rental businesses
- Insurance companies
- Private clubs
- Non-profit agencies
- Home-based businesses
- 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 funding 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.

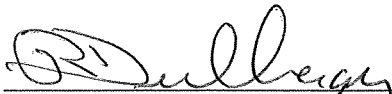
10. **Entire Agreement; Amendments and Waivers.** This Agreement shall supersede any prior oral or written understandings or communications between the parties hereto and constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. This Agreement may not be amended 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.

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

Date: _____

By:  _____

Name: Reid Dulberger

Title: President & CEO

Date: 1/12/2021

By:  _____

Name: Brian McCabe

Title: Owner

Business Information

Please fill out your information on the lines below.

Business Name HI TONE

Business Address, City, State, Zip 282-284 N CLEVELAND ST

Business Telephone 901-400-0335

Type of Business MUSIC VENUE AND BAR + RESTAURANT

Description MUSIC VENUE / BAR / RESTAURANT

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

Year Incorporated 2019

Date opened at current location 5/1/2020

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

84-3734642

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

By which certifying entity? _____

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). 5 \$230 TOTAL (EACH IS HOURLY)

Describe employee benefits, if any (e.g., medical insurance, dental or vision insurance, retirement plan, etc.) MEDICAL INSURANCE IS PAID BY THE COMPANY EQUALING \$250/MONTH

Have you registered for advising with TSBDC? Yes X No ___

Have you received an initial TSBDC assessment? Yes X No ___

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

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

Owner's Name(s) BRIAN MCCABE

Home Address, City, State, Zip 235 GREENLAW AVE

Home Telephone 901-406-6024

Email THEHITONECAFE@GMAIL.COM

Owner's Name(s) _____

Home Address, City, State, Zip _____

Home Telephone _____

Email _____

Owner's Name(s) _____

Home Address, City, State, Zip _____

Home Telephone _____

Email _____

Owner's Name(s) _____

Home Address, City, State, Zip _____

Home Telephone _____

Email _____

Does the business, or any individuals owning more than 20 percent of the business, owe back taxes to the City of Memphis or Shelby County? Yes ___ No X

If so, attach an explanation of how that is being satisfied along with a copy of the payment plan.

Are any individuals owning more than 20 percent of the business or the business itself involved in any lawsuits? Yes ___ No f If so, please attach an explanation with a copy of the complaint.

Economic Injury to Business

	March 2020	Last Full Month of Operation Prior to Application
Business Revenue	13,310 13,310 ⁰⁰	NOV 2020 9,376 ²³
Part Time Employees	0	0
Full Time Employees	5	5
Total Payroll	920	920

In one page or less describe the impact of COVID-19 on your business including but not limited to:

- Employee or payroll reductions (Number of employees on March 1 vs. at time of application)
- Sales and revenue decreases
- Supplier interruptions
- Customer interruptions
- Ability to satisfy debts and obligations

While supplementary \$5,000 grant request applicants do not need to provide the above chart information, a one-page written description of the subsequent shutdown impact on the business must be provided.

THE FUNDS, IF SECURED, WILL HELP EXPONENTIALLY. WE WERE SHUT DOWN FOR 7 MONTHS TO THE LOSS OF 76% OF GROSS SALES OF 2019 OR OVER \$300K. THE IMMEDIATE HELP WILL HELP GO TOWARD EMPLOYEE HEALTH INSURANCE, MORTGAGE AND CHILDCARE. ANYTHING LEFT WILL GO TOWARD BUSINESS EXPENSES INCLUDING M/G/W, INSURANCE & MORTGAGE. AGAIN, THANK YOU FOR YOUR HELP AND CONSIDERATION.

WE HAVE ALSO APPLIED FOR COUNTLESS GRANTS INCLUDING:

STATE: SERG
 COUNTY: ENCORE
 CITY: STABILIZATION
 NIVA: ERF
 BARSTOOL SPORTS: 30 DAY FUND

HAVE YET TO SECURE THOSE BUT WANTED TO INCLUDE FOR TRANSPARANCY.

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") non-revocable 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: _____

1/8/20

Attachment A

Grant Application

Attachment B

Report Form- **Please refer to reporting form from your original grant**