



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

EDGE NEED GRANT AGREEMENT

Grant from EDGE to 17 Berkshire ("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.

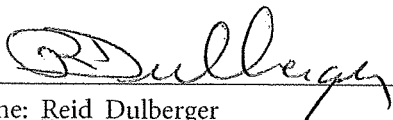
10. **Entire Agreement; Amendments and Waivers.** This Agreement shall supersede any prior oral or written understandings or communications between the parties hereto and constitutes the entire agreement of the parties hereto with respect to the subject matter hereof. This Agreement may not be amended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

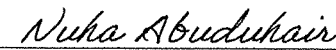
IN WITNESS WHEREOF, the parties have caused this Grant Agreement to be executed on the dates set forth below.

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

Date: 1/11/2021

By: 
Name: Reid Dulberger
Title: President & CEO

Date: 1/12/2021

By: 
Name: Nuha Abuduhair
Title: Owner

Attachment A
Grant Application



ECONOMIC DEVELOPMENT GROWTH ENGINE FOR MEMPHIS & SHELBY COUNTY

EDGE Neighborhood Emergency Economic Development (NEED) Grant Policy & Application

Summary/Purpose/Objectives:

The Board of Directors of The Economic Development Growth Engine Industrial Development Board of the City of Memphis and County of Shelby, Tennessee (EDGE) has created an EDGE Neighborhood Emergency Economic Development (NEED) Grant and authorized the EDGE Economic Development Finance Committee to administer and make changes to the program as necessary in order to secure neighborhood-serving businesses and prevent the loss of job generating activities in distressed and vulnerable areas. Grants of up to \$10,000 will be made to businesses located in, or adjacent or contiguous to New Markets Tax Credit Eligible Census Tracts throughout the City of Memphis that have experienced at least a 25% loss in revenue as a result of COVID-19. Additionally, bars, restaurants and locally owned grocery stores that were previous NEED Grant recipients before January 1, 2021 and affected by subsequent Shelby County Health Department Directives (including temporary closure of less than 90 days) after the recipient's initial NEED Grant approval are eligible for a second award of the \$5,000.00 grant. The grant awards may not be received at the same time. Funds may be used for essential working capital costs such as rent or mortgage payments, payroll, supplier and vendor payments, insurance and utilities.

Program Provisions

Eligible Applicants:

- Business must be locally owned and have been in operation with proper licenses and permits prior to March 1, 2019 and in continuous operation through December 31, 2020, excluding any government mandated closures due to COVID-19. Continuous operation does not mean full service. However, the business must provide service at least on a weekly basis to be considered continuously open.
- Business must demonstrate a 25% or greater loss of revenue due to COVID-19 by comparing the month of March 2020 revenue to the revenue in the last full month of operation prior to application as attested to by the Applicant. This requirement is waived for the second NEED award applicants because it was evidenced in the first grant.
- Business must be located in, or adjacent or contiguous to a New Markets Tax Credit Eligible Census Tract within the City of Memphis based on www.cohnreznick.com/NMTC-Mapping-Tool.
- Annual revenue of Business must be more than \$25,000 and less than \$1,000,000.
- Business must be current on all City of Memphis and Shelby County Property Taxes or have an approved payment plan in place, for which it is current.
- All retail and commercial uses are eligible except:
 - 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
- Businesses closed for more than 90 days are not eligible for consideration.
- Home-based businesses
- Others at the discretion of the Economic Development Finance Committee
- In addition, churches and religious institutions, and government entities, are ineligible.
- Businesses that receive other forms of emergency local, state or federal financial assistance may still apply.
- Past participants in EDGE Inner City Economic Development (ICED) Loan program are eligible and EDGE will waive the requirement that businesses be operational for at least one year for ICED Loan recipients.
- Bars, restaurants and locally owned grocery stores that were previous NEED Grant recipients before January 1, 2021 and affected by subsequent Shelby County Health Department Directives (including temporary closure of less than 90 days) after the recipient's initial NEED Grant approval are eligible for a second award of \$5,000.

Eligible Uses:

Grant funds may be used for essential working capital such as rent or mortgage payments, payroll, supplier and vendor payments, insurance and utilities based on the budget presented with application based on the following provisions.

Amount Available:

Grants will be awarded on a first-come first-served basis as follows:

- Businesses that are first-time EDGE NEED Grant applicants that remain open with a 25% or more reduction in revenue and have a plan for 90 days of continuous future operation may qualify for a one-time award of between \$5,000 and \$10,000.
- Businesses that are first-time EDGE NEED Grant applicants that are temporarily closed due to COVID-19 but have a plan for reopening within 90 days and staying open for at least 90 days thereafter may qualify for a one-time award of up to \$5,000.
- Bars, restaurants and locally owned grocery stores that have received previous EDGE NEED Grant awards before January 1, 2021 and were further affected by subsequent Shelby County Health Department Directives after the recipient's initial NEED Grant approval may qualify for a fixed additional grant amount of \$5,000.

Evaluation:

EDGE staff will evaluate applications from operating businesses and make recommendations to the Economic Development Finance Committee based the business's stabilization and recovery plan, the probability of business survival and the estimated impact to the business's neighborhood.

Application & Approval Process:

Eligible businesses can initiate the process by emailing an application to NEED@Growth-Engine.org. Those wishing to discuss the program and review requirements prior to submitting an application should email a request to NEED@Growth-Engine.org or call 901-341-2100 and EDGE staff will follow-up to arrange a phone call.

To provide more comprehensive assistance to eligible businesses, EDGE is partnering with the Tennessee Small Business Development Center at Southwest Tennessee Community College (TSBDC) which will provide assistance in completing the NEED Grant application and work with the business to identify resources and business survival and recovery strategies. As part of the NEED Grant application, businesses must: (1) have registered for advising at www.tsbdc.org/advising/; (2) received an initial assessment from the TSBDC; and (3) scheduled a follow-up counselling session for no more than 45 days after initial assessment. EDGE may accept verification of comparable business assessment and counseling from The City of Memphis Office of Diversity & Compliance, Communities Unlimited, Epicenter or another recognized small business assistance agency.

Applicants seeking the additional \$5,000 NEED Grant must file a new NEED application. Additionally, applicants who are not already working with TSBDC or another recognized small business assistance agency must comply with the above requirement.

Completed applications will be evaluated by the EDGE Economic Development Finance Committee, which will meet electronically on an as-needed basis. The Committee will evaluate all applicants based on their stabilization and recovery plan and the probability that they can survive COVID-19 and continue serving their community, estimated community impact, and compliance with program policies. Preference will be given to past EDGE ICED loan recipients, and to businesses that have not received emergency financial support from other local entities. The Committee will determine which applications are approved or denied.

Due to the fact that the committee has previously approved the applicant for a NEED Grant, the additional \$5,000.00 NEED Grant will be approved by the EDGE President after the filing of a new application that had been vetted and recommended in writing by the EDGE staff. All supplementary NEED Grant applications approved by the EDGE President will be sent to the Finance Committee members with a summary provided to the Finance Committee at its next meeting and with the supplemental grant information posted on the EDGE website.

Once approved, Grant Agreements will be scanned and emailed to the applicant immediately following the meeting. Grant Agreements will also be sent USPS. Applicants will have 21 days from approval to return a fully executed Grant Agreement to EDGE Grant Manager or the approval becomes null and void.

Fees:

There are no fees associated with the NEED Grant program.

Application:

The application is attached.

Reporting and Default Recourse:

All NEED Grant recipients shall be required to report semi-annually to EDGE with reports due on June 30th and December 31st for a period of three (3) years on their business status, sales, employment, and other data as identified by EDGE. See attached report form.

Should EDGE discover that the Applicant has misrepresented any statements in or associated with the Application process or has intentionally disregarded the Stabilization and Recovery Plan presented, EDGE reserves the right to declare the Applicant in default and collect grant funds disbursed plus attorney's fees and costs of collection.

Business Information

Please fill out your information on the lines below.

Business Name 17 Berkshire

Business Address, City, State, Zip 2094 Trimble Place Memphis TN 38104

Business Telephone 901-729-7916

Type of Business Patisserie,Coffee/ Tea Shop

Description Patisserie offering European sweets, coffee, tea, and Afternoon Tea. Custom cakes available by request.

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

Year Incorporated 2018

Date opened at current location 2018

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

Minority or Woman-Owned Firm. Yes If yes, certified? 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). 6 part time, 1 full time. Weekly wages total \$2,200. Owner does not get paid.

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

Medical insurance is provided through Church Health.

Have you registered for advising with TSBDC? Yes

Have you received an initial TSBDC assessment? Yes

Have you scheduled a follow-up counseling session with TSBDC? Yes

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

Owner's Name(s) Nuha Abuduhair

Home Address, City, State, Zip 8834 Kenbrook Cove Cordova Tn 38018

Home Telephone 901-283-2910

Email hello@17berkshire.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? No

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? No 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	15,782.31	35,384.39
Part Time Employees	8	6
Full Time Employees	0	1
Total Payroll	\$7K	\$8,500

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.

After the second "Safer at Home" agreement was put into effect, our foot traffic had a significant decline. This was during peak holiday season, which meant less parties leading to custom orders, less people meeting at the shop to catch up over break, and less tea reservations. Since the new mandate requires restaurants to operate at 25%, we were left with only 3 chairs. This amount would not allow us to fully operate Afternoon Tea services and control the number of guests in the shop. Unfortunately, we have had to cancel all existing Afternoon Tea appointments, refund patrons who had already reserved, and block reservations until the end of January. We have also had a significant decrease in the number of custom cake and macaron requests.

Some of our best selling days are "theme days". This is where we create a curated selection of pastries for one day only based on a particular theme. In the past, we have done Harry Potter, Galentine's, Friends, and Disney theme days. Due to the outstanding number of cases in Shelby County, we have decided to pause on our anticipated Disney day that was scheduled for January. These days bring massive crowds and a line out the door. We sell out every.single.time. We will be actively working on ways to innovate "Galentine's Day" so that it may occur, but still maintain a safe environment for staff and patrons.

In addition, we have spent more on disposable products this year, than years past. This includes, but is not limited to : hot/cold cups, plates, forks, packaging for baked goods, face masks, etc.

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

We are constantly finding ways to re-think existing offerings. We are offering Afternoon Teas "to-go", selling cookie kits, and finding ways to bundle products so that the customer gets a small discount, but we get a larger sale overall. In addition, I am spending more on marketing to target potential customers. We have created a "signature cake collection" to encourage customers to celebrate life's smaller events (anniversaries, birthdays, etc.) instead of focusing simply on larger events (weddings, baby/bridal showers, corporate events). We are also providing "Covid-friendly" treats for patrons, meaning each item comes individually packaged.

Funds will be used to cover rent costs and packaging supplies.

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: Nuha Abuduhair
Type Name Above

Date: 1/10/2021

First time applicants must provide the following documentation. Bars, restaurants and locally owned grocery stores that have received previous EDGE NEED Grant awards and were further affected by subsequent Shelby County Health Department Directives and are requesting additional grant funding do not have to submit attachments.

First-time Applicants please attach:

- Federal Tax Return for Last Year Filed
- Monthly Budget for Next Three Months
- Verification of registration with TNSBDC
- Copy of one form of Photo Identification for the applicant from the following list
 - U.S. Passport
 - U.S. Military or other Federal Agency Photo Identification
 - State of Tennessee Driver's License
 - State Issued Photo Identification
- Copy of one other document from the following list identifying the applicant
 - Social Security Card
 - Birth Certificate
 - Voter Registration
 - MLGW Bill (in your name)
 - Bill from Telephone/Internet Provider (in your name)
 - Vehicle Insurance Card
 - Home, Renters, Property, Health or Life Insurance Policy
 - Motor Vehicle Registration
 - Other similar personal documents as approved by EDGE staff
- Verification of business address (one required)
 - Business License
 - Health Department Permit
 - Certificate of Occupancy
 - Fire Marshall Permit
 - MLGW Bill (in business's name)
 - Lease
 - Business Contract (with the business's address)
 - Bill from Telephone/Internet Provider (in the business's name)
 - Occupational License
 - Other similar business documents as approved by EDGE staff
- Photographs:
 - Business Exterior
 - Business Interior
 - Applicant/Business Owner-Operator

To save your application, click **PRINT**, then **SAVE to PDF**. Email the PDF to NEED@growth-engine.org.

Attachment B

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